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Farm Bill Update



The Federal Agriculture Reform and Risk Management Act (FARRM) is a bipartisan bill that saves taxpayers money, reduces the nation's deficit, and repeals outdated policies while reforming, streamlining, and consolidating others. It is the product of a two-year process that included auditing for effectiveness and efficiency every single policy under the jurisdiction of the House Committee on Agriculture. The result is legislation that cuts spending, reduces the size of government, and makes common-sense reforms.

Some of the highlights include:

- FARRM saves more than \$35 billion in mandatory funding.
- FARRM repeals or consolidates more than 100 programs.
- FARRM cuts billions in discretionary spending authority.
- FARRM starts the process of making much-needed reforms to the Supplemental Nutrition Assistance Program (SNAP), saving taxpayers more than \$16 billion.
- FARRM repeals Direct Payments, Countercyclical Payments, ACRE, and SURE, replacing these four programs with a policy that will save taxpayers more than \$14 billion.
- FARRM consolidates 23 conservation programs into 13, improving program delivery to producers and saving taxpayers more than \$6 billion.
- FARRM provides regulatory relief, including H.R. 872, to mitigate burdens placed on our nation's farmers, ranchers, and rural communities.

Title I: Commodities

Repeals Four Current Commodity Programs

Direct Payments, Counter-Cyclical Payments (CCPs), the Average Crop Revenue Election (ACRE) program, and the Supplemental Revenue Assistance Payments (SURE) are repealed, saving \$14 billion.

Streamlines and Reforms Commodity Policy

U.S. agriculture is diverse and dynamic with unique perils and risk management needs that differ by crop and region. A Washington-style command-and-control, one-size-fits-all commodity policy does not respect the diversity of American agriculture.

FARRM appreciates the nature of the private sector and offers producers a choice in risk management tools. It allows a one-time election for producers to choose between two options on a crop-by-crop and farm-by-farm basis. Under either option, the risk management tool provided is only there for producers when they suffer a significant loss.

Price Loss Coverage (PLC) is a risk management tool that addresses deep, multiple-year price declines:

- PLC will complement federal crop insurance, which is not designed to cover multiple-year price declines.
- PLC uses modern yields and an index of below cost of production prices to establish a market-oriented, price-based risk management tool for producers.
- PLC limits budget exposure by only addressing deep, multiple-year price losses, and prevents the need for costly and unbudgeted bailouts when markets collapse.

Revenue Loss Coverage (RLC) is a risk management tool that addresses revenue losses, similar to S. 3240's Agriculture Risk Coverage (ARC) proposal with key improvements:

- RLC requires a producer to experience at least a 15 percent loss, helping ensure that all risk is not removed from farming and that no growers are guaranteed profits.
- RLC offers coverage based on county-wide losses to ensure that a government program is not set up to duplicate, for free, what farmers should pay for under crop insurance.
- RLC uses yield plugs and an index of below cost-of-production prices as a benchmark in establishing this revenue-based risk management tool for producers.

FARRM provides full planting flexibility to ensure that producers plant for market and agronomic conditions. FARRM's PLC and RLC apply to planted acres up to total base acres on a farm in order to contain costs.

Cotton producers are ineligible for PLC or RLC, but may purchase an area-wide, group-risk crop insurance policy, known generally as STAX.

Marketing Loans

Producers remain eligible for marketing loans under the same repayment terms except in the case of cotton. For cotton, loan rates may be reduced from current levels, consistent with the STAX proposal.

Sugar

Sugar policy is reauthorized to operate at no cost to the taxpayer.

Dairy

FARRM replaces outdated, ineffective subsidy programs with a new, voluntary risk management safety net for dairy producers. Dairy producers will have the option to sign up for the basic margin program, helping them to better manage risk when milk prices and feed costs converge. Producers that sign up for the margin program would then be subject to supply management controls, wherein proceeds of milk sales normally received by the producer would be reduced for the production which exceeds an applicable percentage of their designated base. Funds collected by this program will be used by USDA to purchase surplus dairy products for donations to food banks and other programs.

The two main components of the program will be margin protection and a market stabilization program meant to manage milk supply. The basic margin protection provides a base level of margin protection for 80 percent of production history when the margin falls below \$4.00 for a consecutive two-month period. The producer will also be able to purchase additional supplemental coverage up to an \$8.00 margin. The first 4 million pounds of milk marketed will have a lower premium rate, which will be particularly beneficial to small producers. The supply management program will activate when the margin is below \$6.00 for two consecutive months and reduces producers' payments by 2 to 8 percent depending on market conditions. The program contains a number of market-based triggers to terminate the program when domestic or international markets demand U.S. products.

Summary:

- Saves \$37 million over 10 years, nearly a 10 percent saving from the current baseline;
- Creates one new program: the voluntary risk management, which is tied to a supply management program;
- Reauthorizes 3 programs: (1) Dairy Forward Pricing Program; (2) Dairy Indemnity Program; and (3) Dairy Promotion and Research Program; and
- Eliminates 4 programs: (1) Dairy Product Price Support Program; (2) Milk Income Loss Contract Program (MILC); (3) Dairy Export Incentive Program; and (4) Federal Milk Marketing Order Review Commission.

Livestock

Supplemental Agricultural Disaster Assistance is reauthorized for livestock producers. Livestock Indemnity Payments (LIP), Livestock Forage Disaster Programs (LFP), Emergency Assistance for Livestock, Honey Bees, and Farm-raised Fish (ELAP), and the Tree Assistance Program (TAP) are all generally reauthorized.

Title II: Conservation

FARRM streamlines and consolidates 23 programs into 13. This not only saves the American taxpayer over \$6 billion, but also improves conservation delivery by simplifying the numerous programs available to producers.

Over the past several farm bills, Congress has taken a piecemeal approach to creating our conservation policies. Since 1985, Congress has addressed natural resource concerns by creating more than 20 farm bill conservation programs; some of which are regional initiatives and many of them have overlapping functions or goals. The 2012 Farm Bill reverses this trend by looking at conservation programs in a more comprehensive way.

The Conservation Title still provides farmers, ranchers, foresters, and landowners with voluntary, incentive-based financial and technical assistance for conservation practices. Through these programs, producers protect and restore water quality and quantity, air quality, wildlife habitat, and meet regulatory requirements while providing a safe, secure, and affordable food supply.

Conservation Reserve Program (CRP)

Improves and Focuses the Conservation Reserve Program (CRP)

Maximum enrollment of CRP is gradually reduced to 25 million acres allowing enrollment to focus on the most environmentally sensitive lands and saving American taxpayers close to \$4 billion.

Landowners will be able to better manage their enrolled acres with added flexibility for haying and grazing. Additionally, two million acres are reserved for working grassland contracts.

To ensure that environmental benefits are maintained, expiring acres will receive priority consideration for working grassland contracts and Conservation Stewardship Program contracts, and producers will be given the ability to enter into contracts of working land programs before their CRP contracts expire.

Beginning farmers or ranchers will be afforded greater access to productive land with the continuation of the Transition Incentives Program (TIP).

Working Lands

Supports the Environmental Quality Incentives Program (EQIP)

The House bill prioritizes the Environmental Quality Incentives Program (EQIP) by maintaining current funding. With the regulatory pressures farmers and ranchers face, it is important to continue this incredibly beneficial cost share program with no cuts. EQIP provides cost share incentives to producers to meet or avoid the need for national, state, or local regulation. EQIP will provide additional incentives for wildlife by absorbing the functions of the Wildlife Habitat Incentives Program (WHIP). The program maintains the Conservation Innovation Grant (CIG) subprogram to promote new and innovative conservation practices.

Additionally, the program will maintain priorities for beginning farmers or ranchers and socially disadvantaged producers while including for the first time a priority for veteran farmers. Producers under these priorities would also be eligible to cover up to 50 percent of upfront project costs.

Conservation Stewardship Program (CSP)

CSP encourages producers to adopt new conservation measures, while maintaining current practices to protect natural resources. Program changes allow more flexibility for local identification of natural resource concerns. Enrollment is limited to 9 million acres per year.

Voluntary Public Access and Habitat Incentive Program

Owners and operators of private land are able to realize a benefit by creating wildlife habitats and opening their land to hunting and fishing activities. This program is reauthorized for the life of the bill.

Easements

Agriculture Conservation Easement Program (ACEP)

ACEP consolidates existing easement programs into one program for streamlined and flexible administration. Under ACEP, land can be enrolled into an Agriculture Lands Easement to protect working grassland or farmland, or can be enrolled into a Wetlands Easement to protect and enhance water quality and wildlife habitat.

Regional

Regional Conservation Partnership Program (RCPP)

RCPP consolidates four programs into one targeted initiative that leverages USDA funding and resources by partnering with private organizations or working directly with producers to address natural resource concerns. Targeted conservation initiatives are developed on the local level and selected by USDA through a competitive, merit based application process. Additionally, USDA may designate Critical Conservation Areas to target conservation programs in regions under significant regulatory pressure.

Other

Small Watershed Rehabilitation Program

The Small Watershed Rehabilitation Program provides technical and financial assistance for planning, design, and implementation of projects for the purposes of rehabilitate aging watershed dam projects (including upgrading or removing dams) in communities to address flood prevention as well as flood-related health and safety concerns.

Grassroots Source Water Protection Program

This program encourages each state to use technical assistance for the purpose of allowing State rural water associations to address regulatory requirements and promote conservation practices with the intent of protecting and improving the quality the nation's drinking water.

Title III: Trade

The U.S. agricultural industry is highly dependent on exports, with nearly a third of all cash receipts generated from international markets. The bill ensures that our producers are able to capitalize on these opportunities by making strategic investments in programs designed to address foreign barriers to U.S. exports. Increased margins for U.S. farm output translates to greater capital flows back to rural America, supporting farms and their rural communities. The bill also reauthorizes food aid programs with specific changes to administrative provisions to ensure greater transparency and accountability.

Trade Programs

Market Access Program (MAP)

The Market Access Program is reauthorized to provide assistance on a cost-share basis, targeting small businesses, farmer cooperatives, and non-profit trade organizations. Private contributions are estimated at 60 percent of total annual spending on trade promotion and market development.

Foreign Market Development Program (FMD)

The reauthorized FMD program partially reimburses participants for approved overseas trade promotion activities which address long-term foreign market import constraints, and identifying new markets or uses for U.S. commodities. Preference is given to nonprofit U.S. agricultural and trade groups that represent an entire industry.

Technical Assistance for Specialty Crops (TASC)

Specialty crop exports face a variety of non-tariff trade barriers which can close access to key markets without notice. The TASC program is reauthorized, and additional authority is provided to ensure that USDA can respond to technical barriers to trade with resources made available through the program.

Export Credits (GSM-102)

The GSM-102 program is reauthorized and preserves USDA's authority to adjust the length of tenor and the fees required to cover the costs of the program. Export guarantees made available under GSM-102 assist in financing exports of U.S. agricultural commodities in markets where credit might not otherwise be available.

Additional Provisions

Authority is extended for the Emerging Markets Program (EMP) which promotes U.S. exports established in emerging markets and is limited to generic rather than branded products. Also, the Global Crop Diversity Trust, which supports the storage of germplasm in seed banks around the world, is extended.

Food Aid Programs

The U.S. contributes nearly half of all in-kind food aid in the world and is the single largest donor of food aid. The bill reauthorizes food aid and development programs and strengthens monitoring and reporting requirements to ensure transparency and accountability. The bill also

provides resources to build resilience in recipient communities to mitigate and prevent food crises and reduce the future need for emergency aid. The bill reflects the current budget environment and in support of efforts to reduce the federal deficit \$144 million in mandatory spending is not reauthorized.

Food for Peace

The Food for Peace Act is reauthorized to continue providing critical humanitarian and development assistance in developing countries. The bill ensures the timely delivery of food aid through funding for the pre-positioning of commodities. To eliminate price disruptions for local farmers and markets in developing economies through monetization, further clarification on market value and price is given to USDA and USAID.

In recognition of the need to balance the dual roles of food aid, the minimum level of development funding is reauthorized at \$400 million. Cash assistance to support development programs is reduced in recognition of budget constraints. Funding is included for the development and testing of new, fortified food aid products and to ensure the highest standards of food aid quality.

Specific funding for oversight, monitoring and evaluation of Food for Peace programs is continued at \$10 million per fiscal year to ensure proper management of food aid and development programs, including \$8 million for the Famine Early Warning System network. A detailed report describing all efforts taken by the Administrator of USAID for monitoring and evaluation is required for a precise accounting of these funds.

The bill also reauthorizes the Food for Progress program, the Bill Emerson Humanitarian Trust, and the McGovern-Dole International Food for Education and Child Nutrition program.

Title IV: Nutrition

FARRM makes common-sense reforms, closes program loopholes, and cracks down on waste, fraud, and abuse saving the American taxpayer over \$16 billion. The legislation strengthens program integrity and accountability while better targeting the federal nutrition programs to serve those in need of assistance.

Supplemental Nutrition Assistance Program (SNAP)

Makes Common Sense Reforms to Program Eligibility

Restricts categorical eligibility, or automatic eligibility, to only those households receiving cash assistance from Supplemental Security Income (SSI), Temporary Assistance for Needy Families (TANF), or other state general assistance programs. Ensures all households meet the requirements of SNAP law, including the asset and gross income limits, before they can receive benefits. Receiving a TANF-funded brochure or referral to an "800" number hotline would no longer automatically make a household eligible for SNAP.

Closes Program Loopholes

Closes a loophole in SNAP related to how Low Income Home Energy Assistance Program (LIHEAP) payments interact with the SNAP benefit calculation. Some states are sending \$1 or \$5 LIHEAP payments to low-income households so they may automatically take advantage of a SNAP deduction and receive a higher amount in SNAP benefits. This legislation stops states from sending nominal LIHEAP payments in order to trigger a deduction for the sole purpose of increasing their SNAP benefits. This provision will not affect any households receiving traditional LIHEAP assistance or any household that can demonstrate a utility cost.

Eliminates State Performance Bonuses

Ends the bonuses USDA awards to states for administering SNAP, and saves taxpayers nearly half a billion dollars without affecting SNAP recipient benefits.

Cracks Down on Waste, Fraud and Abuse*Ends SNAP Benefits for Lottery Winners*

SNAP recipients with substantial lottery or gambling winnings will lose benefits immediately after receiving winnings. Winners will be prevented from receiving any benefits if they do not meet the financial requirements of SNAP.

Prevents Traditional College Students from Receiving SNAP

Restricts SNAP eligibility for traditional college students by limiting eligibility to those participating in technical and vocational education programs, trade studies, remedial course work, or basic adult literacy.

Cracks Down on Trafficking

Provides USDA with additional resources to prevent trafficking of SNAP benefits.

Strengthens Program Integrity and Accountability*Improves the Quality of Participating Retail Stores*

Requires participating retailers to stock more staple foods like fruits and vegetables and bans stores from participating if they have significant sales of prohibited items like liquor and tobacco. Includes provisions to further monitor and prevent fraud at retail stores, and allows more service options for homebound elderly or disabled SNAP recipients.

Increases Oversight of the Restaurant Meals Program

Requires states and territories to submit a plan to USDA if they are choosing to implement a Restaurant Meals Program to serve homeless, elderly and disabled populations. The plan must demonstrate a need for such a program along with effective control measures.

Improves Accountability of the SNAP Employment and Training Program

Requires states to report on their respective Employment and Training program to provide more accountability of how SNAP participants are gaining skills, training, and work, or experience that leads to employment.

Additional Nutrition Programs

Increases Assistance for Food Banks

Food banks have been successful in effectively utilizing government dollars and securing private sector donations in order to feed hungry Americans. However, local food banks have been struggling to provide enough food to needy families in the current economic climate. Increasing funding for The Emergency Food Assistance Program (TEFAP) will help food banks supplement the diets of low-income individuals.

Supports the Commodity Supplemental Food Program

Continues support for CSFP, and transitions the program to serve only senior citizen populations while allowing the small percentage of women and children currently enrolled in CSFP to continue to receive services until they have exceeded the age of eligibility. This better targets the program to seniors who utilize CSFP the most. Women and children will all continue to be served by the WIC program, which is more suited to their dietary needs.

Gives Seniors and Low-Income Families Access to Farmers Markets

Expands the Senior Farmers Market Nutrition Program to not only benefit senior citizen populations, but also provides low-income families access to fruits and vegetables through coupons that can be exchanged for eligible foods at farmers' markets and community-supported agriculture programs.

Promotes Fruits and Vegetables to School Children

Continues current funding for the Fresh Fruit and Vegetable Program, but maximizes those dollars by allowing elementary schools, with a high proportion of low-income students, to purchase fresh, frozen, canned, and dried produce to make available to students throughout the day. Maintains current funding for the DOD Fresh Program that distributes fresh fruits and vegetables to schools and service institutions; and creates a pilot program to allow up to five states to use their allocation to source local produce.

Continues Food Distribution on Indian Reservations

Reauthorizes funding for the Food Distribution Program on Indian Reservations (FDPIR), which provides food assistance to Indian Tribal Organizations (ITOs).

Increases Support for Community Food Projects

Increases support for grants to eligible nonprofit organizations seeking and developing innovative ways to improve community access to healthy foods.

Title V: Credit

FARRM reauthorizes credit programs to meet the growing needs throughout rural America. These programs are contained in the Consolidated Farm and Rural Development Act, including all Farm Service Agency (FSA) loans through 2017 with the following changes.

Promotes Family Farms within Farm Ownership Loans

The House Agriculture Committee recognizes the need to provide flexibility for farm operating loans in response to modern legal entities created for estate succession planning. This flexibility allows the Secretary to permit farmers to obtain farm ownership loans through these modern legal entities.

Increases Loan Guarantee Percentage for Conservation Loan and Loan Guarantee Program

In response to establishing enhanced conservation practices, the House provided additional access to borrowers by increasing the Loan Guarantee Amount from 75 percent to 90 percent.

Improves Maximum Loan Value for Down Payment Loan Program

While maintaining the FSA cap at \$300,000 like all other FSA direct ownership loans, the House increased the maximum loan value from \$500,000 to \$667,000 giving farmers and ranchers the opportunity to afford to purchase land in areas with high real estate values.

Eliminates Mineral Rights Appraisal Requirement

This provision does not eliminate all mineral rights appraisals but instead puts in place the same standards as many certified appraisers. By eliminating this burdensome requirement, FSA will spend less administrative time and money.

Grants New Authority to Waive Personal Liability for Youth Loans

Strictly on a case by case basis this new provision will enable youth who obtained an FSA loan and became delinquent, to not be ineligible for student loans and grants that might prevent them from obtaining higher education.

Enhances Beginning Farmer and Rancher Provisions

In addition to those provisions outlined above, to support beginning farmers and ranchers, reauthorizations along with enhancements to current programs include:

- Reauthorizes the Beginning Farmer and Rancher Individual Development Accounts Pilot Program which authorizes matching-funds for savings accounts to meet farming-related expenses
- Reserves Loan Fund Set-Asides, which is a portion of the guaranteed farm ownership loan and direct operating loan funds, for beginning farmers and ranchers.
- Provides priority for joint financing participation loans and down payment loans within direct farm ownership loans. By providing priority to applicants USDA can maximize the number of borrowers served for a given level of appropriations.
- Removes median farm size limitation by replacing "median" with "average". This clarification in terms, allows more otherwise qualified applicants to receive beginning farmer ownership loans, while excluding those who already own a substantial piece of land.
- Provides the Secretary with discretion in defining the experience necessary to qualify a beginning farmer or rancher for a farm ownership loan. This modification ensures that otherwise qualified farmers are not excluded from the program.

Maintains State Agricultural Mediation Programs

Extension of this program further enables agriculture and USDA-related disputes to be resolved.

Provides Flexibility for Loans to Purchasers of Highly Fractionated Land

To reinforce the elimination of barriers for an effective loan program, flexibility has been given to FSA to develop a program to meet the needs of Indian Tribes. This program, as currently authorized in the 2008 Farm Bill, prescribes a complex process for sales of highly fractionated Indian land.

Title VI: Rural Development

FARRM reauthorizes the core loan and grant programs while eliminating duplicative or wasteful authorities. Fourteen programs are eliminated and funding levels are reduced by more than \$1.5 billion over five years, a 50 percent reduction in authorizations. This authorized level of funding ensures that available appropriations can be focused on the programs that have the greatest impact on rural communities. In addition, \$100 million in mandatory money is not reauthorized.

Additional provisions are included to ensure USDA tracks the success of these investments and the information can be used to improve future program rules. The bill also requires USDA to develop simplified application forms wherever practical for rural development programs to reduce administrative burdens and make the programs more accessible to small, rural communities.

Rural development programs are intended to assist communities through loans and grants to build critical infrastructure and provide access to credit. Through these programs small, rural communities can access funds to build or update water systems, build broadband infrastructure, and finance other critical community facilities. Small businesses are able to access credit through loans, grants, and loan guarantees to finance new enterprises or expand their current business.

Supports Water and Wastewater Programs

Programs, which assist rural communities in addressing critical water and wastewater, needs are reauthorized, including assistance through loans and grants for municipal systems and household wells. Resources for technical assistance are provided to help communities focus on core needs and plan the appropriate remedies. Programs include the Water, Waste Disposal and Wastewater Facility Grants, the Circuit Rider Program, Imminent Community Water Assistance Grants, and grants to finance individual wells.

Supports Business Loans and Grants

Several key programs are reauthorized which provide either grants, loans, or a combination of both to small businesses. Two distinct relending programs are reauthorized to assist small businesses start or expand their operations. The Intermediary Relending Program provides access to credit for loans up to \$250,000 in medium or small towns. The Rural Micro-entrepreneur Assistance Program provides small loans of \$50,000 or less to re-lending organizations to assist small businesses with fewer than 10 employees.

Rural Cooperative Development Grants are extended to assist in the development of new cooperatives and improve the operations of existing cooperatives. Value-Added Producer grants are reauthorized with \$50 million in mandatory funding. These grants benefit producers and cooperatives that process agricultural commodities to capture increased margins directly. Priority is given to beginning farmers and ranchers under this program.

Funding set aside for locally and regionally produced agricultural food products is capped at 7 percent of the program, ensuring that other viable business ventures can compete for scarce funding under the Business and Industry Loan Program.

Broadband Infrastructure

The Broadband Loan Program is reauthorized to provide access to broadband service in rural America. Specific provisions are added to increase transparency in the program to ensure investments focus on areas without broadband service. Additional emphasis is placed on projects which will serve both businesses and homes to maximize the economic impact of each project.

The Distance Learning and Telemedicine program is also reauthorized to provide funding for schools and hospitals. These projects allow small communities to access education and health services which would otherwise not be available.

Community Facilities

The bill reauthorizes several essential community facilities loans and grants which provide direct assistance to small, rural communities. These funds are made available to develop essential public facilities such as hospitals, fire stations, public safety services, and specific infrastructure projects.

Regional Authorities

The Northern Great Plains and the Delta Regional Authorities are both reauthorized. These regional commissions are intended to coordinate investments across several states including business, infrastructure, and education ventures.

Rural Transportation

The bill requires USDA to update a previous study on rural transportation issues to provide policy makers with current data on the state of transportation systems which move commodities and processed goods throughout rural America.

Title VII: Research, Extension and Related Programs

FARRM continues and enhances critical research ideas while leveraging public and private dollars. The legislation acknowledges the economic hardship facing our nation. Key elements of the legislation include:

- Repeals authority for non-competitive grants under numerous grant programs

- Extends the authorization of appropriations for 47 research, extension, and education programs
- Repeals 77 research and extension programs and reports
- Eliminates five additional research and extension programs that have or will expire
- Reduces or eliminates authorized funding levels by \$500 million.
- Reduces direct spending under this title by \$83 million over five years.
- Replaces 12 “such sums as necessary” authorization limits and includes levels consistent with actual appropriations.

Past support for agricultural research and education has resulted in Americans enjoying the most abundant, safest, and most affordable food supply in the world. Agricultural research typically provides a return of 30 to 60 percent on federal investment.

Although agricultural research and extension have been highly successful, many food and agricultural challenges continue to face our nation’s producers, processors, and consumers. As the United States becomes more dependent on the global economy, it is imperative to address issues of productivity to meet increasing world demands and competitiveness to assure a higher percentage of market share. Domestically other critical social, economic and natural resource issues must also be solved.

Intramural research programs

This title extends authority for intramural research programs carried out by the Agricultural Research Service; Economic Research Service, National Agricultural Statistics Service and the Forest Service.

Extramural research programs

Authority for extramural research grants and formula funds programs administered by the National Institute of Food and Agriculture are extended.

Land Grant Universities

University research for agricultural activities is reauthorized for 1862, 1890 and 1994 Land grant colleges and universities.

Capacity Grants for Non-Land Grant Colleges of Agriculture (NLGCA)

Competitive grants to NLGCA institutions are reauthorized in order to maintain and expand research and outreach in regards to agriculture, renewable resources and production practices.

National Agricultural Research, Extension, Education and Economics (NAREEE) Advisory Board

The NAREEE advisory board is reauthorized while enhancing the involvement of other agricultural industry interests in the consultation of agricultural priorities.

Agriculture and Food Research Initiative

AFRI continues critical agriculture research by providing competitive grants through integrated research and extension activities.

Increased transparency for Budget Submission

Enhances accountability and transparency of USDA administered research, extension and education funding by mandating that the annual Presidential Budget Submission include sufficient information for the Congress to thoroughly evaluate and approve future spending plans. With regard to extramural competitive grant programs, USDA will be barred from obligating appropriated funds unless a comprehensive spending plan is submitted with the President's budget and approved by Congress.

Addresses the shortage of veterinarians

Included in this legislation is the Veterinarian Services Investment Act. Similar pieces of legislation have been introduced in the House and Senate including: S.855, H.R. 1297, H.R. 1442, H.R. 1469, H.R. 1551, S. 721, and S. 724. This act requires an entity to develop programs to relieve shortages, support private practices, and support those practices that successfully complete a specified service requirement. This bill, which has previously passed the House of Representatives, is the only new authorization in this title.

Specified initiatives

This bill would reauthorize commodity specific research programs such as Specialty Crop Research Initiative, Organic Research and Extension Initiative, Sustainable Agriculture Research and Extension, and the Beginning Farmer and Rancher Development Program.

Title VIII: Forestry

FARRM promotes the health of America's national, state, and private forests while eliminating five expired programs. The forestry title also places caps on the authorization levels of several existing programs.

Continuing Forest Conservation Programs

The Forest Legacy Program and the Community Open Space Program, which help preserve forested lands facing conversion to other uses, are continued with reduced authorization levels. The Healthy Forest Reserve Program, which helps landowners promote habitat for wildlife, is reauthorized.

Combating Invasive Species and Natural Disasters

The forestry title contains authority for the Forest Service to accelerate its treatment of national forests affected by pine bark beetle infestation and natural disasters. This authority streamlines the approval process for the Forest Service in selecting afflicted areas that need treatment within our national forests.

Protecting Forest Jobs

The forestry title reauthorizes the Office of International Forestry, which is designed to help facilitate the development of foreign markets for domestically produced wood products. The strategic plan for the Forest Inventory is updated to reflect the needs of rural communities across America. The Rural Revitalization Technologies program is reauthorized in order to provide grants and technical assistance to forested rural communities.

Improving Forest Health

The Forest Stewardship Contracting program is extended for an additional four years, allowing the Forest Service to engage in needed restoration work on our national forests. The Agriculture Conservation Experienced program is amended to allow the Forest Service to hire retired employees to assist the agency in forest stewardship projects.

Title IX: Energy

FARRM helps diversify our nation's energy supply and creates new economic opportunities in rural America by promoting the development of advanced biofuels and renewable energy.

The title eliminates mandatory funding and reauthorizes programs at reduced discretionary funding levels that will save taxpayers more than \$500 million. FARRM streamlines current programs, enhances program integrity, and repeals five programs that have outlived their usefulness.

Rural Energy for America (REAP)

REAP provides financial assistance to farmers and ranchers or small rural businesses for renewable energy systems such as anaerobic digesters, solar or wind projects, and energy efficiency measures; as well as grants for energy audits.

The title creates a tiered, streamlined, and efficient application process for farmers and rural businesses applying for smaller or less costly projects to install renewable or energy efficient systems. In an effort to target funding, the authority for feasibility studies is eliminated and a new definition for renewable energy systems is created to clarify congressional intent by eliminating funding for ethanol blender pumps.

Biomass Crop Assistance Program (BCAP)

BCAP was created to assist landowners in the establishment of dedicated energy crops. The title prioritizes funding for the establishment of dedicated energy crops by eliminating controversial Collection, Harvest, Storage, and Transportation (CHST) payments.

Biorefinery Assistance Program (BAP)

BAP provides loan guarantees for the construction or retrofitting of biorefineries that will enable the commercial-scale production of advanced biofuels. The provision eliminates grant authority for demonstration facilities.

Biobased Markets Program

Amends the definition of "biobased product" to include a definition of "forest product" for USDA's BioPreferred Program. This definition allows certain domestic forest products with mature markets to be eligible under federal procurement guidelines for renewable products. Materials eligible under this amended definition would include items such as pulp, paper, and wood pellets.

Biodiesel Fuel Education Program

The Biodiesel Fuel Education Program provides competitive grants to non-profit entities to provide information and outreach on the benefits of biodiesel fuel use.

Additionally, the title reauthorizes the Bioenergy Program for Advanced Biofuels, the Biomass Research and Development Program, the Feedstock Flexibility Program, and the Community Wood Energy Program;

Repeals or ends authorizations of the Repowering Assistance Program, the Biofuels Infrastructure Study, and the Renewable Fertilizer Study, the Rural Energy Self-sufficiency Initiative, and the Forest Biomass for Energy Programs.

Title X: Horticulture

The Horticulture Title continues and expands popular and successful programs that recognize the diversity of U.S. specialty crops and organic agriculture, including fruits, vegetables, nuts, horticulture, and nursery crops.

Supports Farmers Markets and Local Economies

The Farmers Market Promotion Program increases funding for competitive grants to improve and expand direct producer-to-consumer market opportunities including the development of local food system infrastructure.

Continues the Specialty Crop Block Grant Program

FARRM increases funding for the Specialty Crop Block Grant Program, which has been successful in enhancing the competitiveness of specialty crops through grants awarded to states to support research, product quality enhancement, food safety, and other projects important to the specialty crop industry.

Combats Pest and Disease By Focusing on Early Detections

FARRM consolidates and increases funding for two very effective programs, the Plant Pest and Disease Management and Disaster Prevention Program and the National Clean Plant Network. Detecting and responding to a plant pest or disease in the early stages of an introduction is a significant cost savings for taxpayers, and can help minimize the potentially devastating impact on agriculture.

Supports Organic Agriculture

This legislation reauthorizes two important programs supporting the organic industry, the Organic Production and Market Data Initiatives Program and the National Organic Program, as well as enhances investigation and enforcement tools. The National Organic Program receives an increase in funding to better support its regulatory functions in ensuring consumers are presented with consistent, uniform standards.

Regulatory Relief & Certainty

The bill includes several provisions that provide relief from some of the most onerous regulatory pressures plaguing our nation's farmers, ranchers, and rural communities. All of these measures provide no additional cost to taxpayers, but provide significant benefits in job creation and regulatory certainty.

Includes H.R. 872, the Reducing Regulatory Burdens Act

The Horticulture title includes H.R. 872, the Reducing Regulatory Burdens Act, which eliminates a costly and duplicative permitting requirement for pesticide applications.

The Environmental Protection Agency (EPA) has a comprehensive regulatory program in place under the authority of the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA), but an erroneous judicial decision has resulted in the EPA requiring additional permits under the Clean Water Act (CWA) even though this duplicative mandate imposes significant public health risks and provides no quantifiable environmental benefit. H.R. 872, which was drafted with the technical assistance of the EPA, passed the House of Representatives with a bipartisan vote of 292 – 130 on March 31, 2011.

Biological Opinions

The bill would impose a temporary stay on the EPA from initiating a modification or cancellation of a pesticide registration based on the Biological Opinions of the National Marine Fisheries Service or the U.S. Fish and Wildlife Service (hereinafter referred to as "the Services") until an unbiased, external scientific, peer review of these Biological Opinions can be conducted and the scientific questions challenging the validity of these consultations can be resolved.

This is the result of extensive bipartisan oversight carried out between the House Agriculture Committee, Natural Resources Committee and Appropriations Subcommittee on Interior, Environment, and Related Agencies in response to litigation challenging EPA registrations of pesticides wherein the agency had not formally consulted with the Services'. Courts have ordered these consultations to proceed under an expedited schedule that precludes scientific credibility and transparency. The results of these consultations to date are Biological Opinions of the Services' for which the EPA has testified are scientifically suspect. Despite the lack of agreement on the underlying scientific methods and data employed by the Services', current lawsuits are aimed at compelling the EPA to implement these Biological Opinions. This would circumvent the desire that EPA's process and final decision on pesticide registrations be scientifically valid and technologically feasible.

Biotechnology Regulatory Streamlining

The bill includes a provision reiterating that the sole and exclusive authority of the Secretary to regulate products of biotechnology under the Plant Protection Act is to be limited to the evaluation of plant pest risk while authorizing the conduct of a targeted and transparent environmental review to facilitate public understanding and scientific discourse.

Under the Plant Protection Act, the Secretary is authorized to regulate the introduction and cultivation of products of biotechnology if the product poses a plant pest risk. When a petition

for non-regulated status is received a comprehensive plant pest risk assessment is conducted. Once it is determined that the product poses no plant pest risk, the authority to regulate the product under the Plant Protection Act ceases and a final decision is made to deregulate the product. Recent petitions for deregulation have taken several years, though the actual review takes only weeks and USDA regulation provides for a maximum limit of 180 days.

The current framework of the Plant Protection Act which is intended to ensure the safety of biotechnology crop reviews has been impeded by numerous procedural lawsuits. Many of these lawsuits have been proven to include frivolous claims and have been based on extraneous statutes that conflict with USDA's statutory mandate to regulate based on plant pest risk. These challenges have strained the limited resources of the Department, imposed millions of dollars in unnecessary costs on taxpayers and hundreds of millions of dollars in lost opportunity costs on our national economy, and endangered the United States' leadership role in this new and beneficial field of science.

Agricultural biotechnology is an evolutionary technology with revolutionary potential to feed an ever-increasing world population, while enhancing environmental stewardship. This provision will ensure that the transparent, comprehensive and scientifically-based review of these products occurs in a timeframe that facilitates continued innovation and adaptation of new tools to meet the challenges of food security.

Pesticide Registration Improvement Act Reauthorization

The bill includes the third reauthorization of the Pesticide Registration Improvement Act. This legislative proposal represents a multi-year effort by pesticide manufacturers, non-governmental organizations and the Environmental Protection Agency to negotiate the content of legislation, which would provide additional resources for the Environmental Protection Agency's registration activities and provide a more predictable service for pesticide registrants.

Title XI: Crop Insurance

Crop Insurance is the cornerstone of risk management for most farmers. FARRM recognizes the \$12 billion in cuts that crop insurance has already contributed toward deficit reduction over the past five years and the increased importance of crop insurance given a 23 percent reduction in the commodity title. FARRM does no harm to crop insurance, as farmers requested, and instead makes improvements to better serve all producers of all crops in all regions.

Supplemental Coverage Option

FARRM authorizes producers to purchase the Supplemental Coverage Option (SCO), an area-wide group-risk policy, designed to address a portion of losses not covered by individual crop insurance policies.

Enhanced Risk Management for Beginning Farmers and Ranchers

For the initial five years of production, beginning farmers and ranchers will benefit from a 10 percentage point crop insurance premium reduction and will see improved production histories where natural disasters have depressed current Actual Production History (APH) yields.

Expands Risk Management for Specialty Crops and Underserved Commodities

FARRM provides authority for the development of improved risk management tools for underserved crops and regions.

Improved Actual Production History in the Event of Multiple Year Disasters

FARRM addresses problems with declining Actual Production History (APH) yields due to multiple year disasters by providing a transitional yield that reflects a producer's production capability on that land.

Increased Flexibility

FARRM authorizes continuation of insuring by Enterprise Units as provided under the 2008 Farm Bill, with improvements.

Program Integrity

FARRM requires that the Farm Service Agency (FSA) and the Risk Management Agency (RMA) share information and encourages correction of errors in order to ensure accuracy of reported information.

Title XII- Miscellaneous

Animal health and livestock industry promotion

Subtitle A of Title XII includes the reauthorization of several programs that help promote the livestock industry, as well as improve animal health.

National Sheep Industry Improvement Center (NSIIC)

The bill reauthorizes the NSIIC through 2017. The Center was created to assist our sheep and goat producers by strengthening and enhancing the production and marketing of sheep, goats, and their products.

Trichinae Certification Program

The bill reauthorizes the Trichinae Certification Program through 2017. The program is a pre-harvest pork safety program that uses management practices to minimize the risk of exposure of swine to the parasite *Trichinella spiralis*.

National Aquatic Animal Health Plan

The bill reauthorizes the National Animal Health Plan through 2017. The authority allows the Secretary to enter into cooperative agreements for the purposes of detecting, controlling, or eradicating diseases in aquaculture species.

Agriculture Reform, Food and Jobs Act of 2012

Title I Commodity Programs Section-by-Section Summary

Subtitle A: Repeals and Reforms

Section 1101. Repeal of Direct Payments

- Eliminates Direct Payments effective with 2013 crop.

Section 1102. Repeal of Counter-Cyclical Payments

- Eliminates Counter-Cyclical Payments effective with 2013 crop.

Section 1103. Repeal of Average Crop Revenue Election Program

- Eliminates the Average Crop Revenue Election Program (ACRE) effective with 2013 crop.

Section 1104. Definitions

- Defines various terms used in the bill; most terms are defined as they were in the 2008 farm bill. Added definitions are below:

- (1) Actual Crop Revenue- with respect to a covered commodity for a crop year means the amount determined by the Secretary under section 1105(c)(4) that establishes whether agriculture risk coverage payments are required to be made for that crop year.
- (2) Agriculture Risk Coverage Guarantee- with respect to a covered commodity for a crop year means the amount determined by the Secretary under section 1105(c)(4) to determine whether payments are required to be made for that crop year.
- (3) Agriculture Risk Coverage Payment- means a payment made under section 1105(c).
- (4) County Coverage- For the purposes of agriculture risk coverage under section 1105, the term "county coverage" means coverage determined using the total quantity of all acreage in a county of the covered commodity that is planted or prevented from being planted by a producer with the yield determined by the average county yield.
- (5) Covered Commodity- In general, means wheat, corn, grain, sorghum, barley, oats, long grain rice, medium grain rice, pulse crops, soybeans, other oilseeds, and peanuts. Additionally, the Secretary is instructed to study the feasibility of including popcorn as a covered commodity by 2014 and if the Secretary determines it to be feasible, may designate popcorn as a covered commodity.
- (6) Eligible acres- means all acres planted or prevented from being planted to covered commodities on a farm in any crop year. Eligible acres shall not exceed the average total acres planted or prevented from being planted to covered commodities and upland cotton on the farm for the 2009 through 2012 crop years. The Secretary shall provide for an adjustment to eligible acres to account for cropland coming out of Conservation Reserve Program contracts and to account for resource conserving rotations such as summer fallow.
- (7) Extra Long Staple Cotton- means cotton that is produced from pure strain varieties of the Barbados species or any hybrid of the species, or other similar types of extra-long staple cotton, designated by the Secretary, having characteristics needed for various end uses for which United States upland cotton is not suitable and grown in irrigated cotton-growing

- regions of the United States designated by the Secretary or other areas designated by the Secretary as suitable for the production of the varieties to types
- (8) Individual Coverage – for purposes of the Agriculture Risk Coverage program, the term “individual coverage” means the sum of all of a producer’s acreage in a county planted or prevented from being planted to a covered commodity.
- (9) Medium Grain Rice- includes short grain rice.
- (10) Midseason price- means the applicable national average price received by producers for the first 5 months of the applicable marketing year.
- (11) Other Oilseed- means a crop of sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, crambe, sesame seed, or any oilseed designated by the Secretary.
- (12) Producer- means an owner, operator, landlord, tenant, or sharecropper that shares in the risk of producing a crop and is entitled to share, in the crop available for marketing from the farm, or would have shared the crop been produced.
- (13) Pulse Crop- means dry peas, lentils, small chickpeas, and large chickpeas.
- (14) State - means (a) State, (b) the District of Columbia (c) the Commonwealth of Puerto Rico, (d) any other territory or possession of the United States.
- (15) Transitional Yield- has the meaning given the term in section 502(b) of the Federal Crop Insurance Act.

Section 1105. Agriculture Risk Coverage

- **Section 1105 (a)** Authorizes agriculture risk coverage payments for the 2013 through 2017 crop years.
- **Section 1105 (b)** Requires the Secretary to provide producers an opportunity to make a one-time election that is binding on the producer (not the acres) to receive either individual or county coverage for all covered commodities and all acres under the control of the producer. Requires the Secretary to ensure that producers are precluded from reconstituting or transferring control of acreage that would only have the effect of altering or reversing the coverage election.
- **Section 1105 (c)** Requires the Secretary to make agriculture risk coverage payments when a producer’s actual crop revenue for a covered commodity is less than the agriculture risk coverage guarantee. Establishes the agriculture risk guarantee as 89 percent of the benchmark revenue which is defined as the product obtained by multiplying the 5-year Olympic yields (individual or county) by the 5 year Olympic national average prices.
- Requires that the payment rate is the difference between the agriculture risk coverage guarantee for the covered commodity and the actual crop revenue for the covered commodity; not to exceed 10 percent of the benchmark revenue for the crop year for the covered commodity.
- Requires that the payment amount for individual coverage as 65 percent of the payment rate for the covered commodity that were planted and 45 percent for those acres that were prevented from being planted; the payment amount for county coverage is 80 percent of the payment rate the covered commodity that were planted and 45 percent for those acres that were prevented from being planted.

- Requires the Secretary, in carrying out the agriculture risk coverage program, to use all information to check for anomalies in making payments; to calculate a separate agriculture risk guarantee for irrigated and non-irrigated commodities; differentiate by type or class the national average price of sunflower seeds, barley (using malting barley values) and wheat; and to assign a yield for producers who do not have a yield history or whose yield is an unrepresentative average yield.

Section 1106. Producer Agreement Required as Condition of Provision of Payments

- Establishes the requirements that producers must meet to be eligible to receive Agricultural Risk Coverage Payments: comply with applicable conservation and wetland protections and effectively control noxious weeds and otherwise maintain the land in accordance with sound agricultural practices as determined by the Secretary.
- Sets requirements governing transfers of interest.
- Requires acreage and production reports.
- Requires that no penalty with respect to benefits be assessed against producers on the farm for an inaccurate acreage or production report.
- Requires that data reported by the producer meet the requirements under the Federal Crop Insurance Act without additional submission to the Department.
- Provides for adequate safeguards to protect the interests of tenants and sharecroppers.

Section 1107. Period of Effectiveness

- Programs and provision of this subtitle are applicable through 2017.

Subtitle B: Marketing Assistance Loans and Loan Deficiency Payments

Section 1201. Availability of Nonrecourse Marketing Assistance Loans for Loan Commodities

- Defines "Loan commodity" same as current law, except replaces "wool" with "graded wool" and "non-graded wool".
- Continues current law through 2017 authorizing the Secretary to make nonrecourse marketing assistance loans for loan commodities available to producers.
- Revises current law in establishing the requirements that producers must meet to be eligible to receive marketing assistance loans: comply with applicable conservation and wetland protections and effectively control noxious weeds and otherwise maintain the land in accordance with sound agricultural practices as determined by the Secretary; in alignment with conservation compliance requirements for ARC.
- Sets requirements governing transfers of interest.
- Requires acreage and production reports.
- Provides for adequate safeguards to protect the interests of tenants and sharecroppers.
- Incorporates special loan, storage, handling, and marketing rules for peanuts.

Section 1202. Loan Rates for Nonrecourse Marketing Assistance Loans

- Continues current law establishing loan rates for commodities (except for adjustment to upland cotton) as follows for the 2013- 2017 crop years:
 - (1) Wheat, \$2.94 per bushel (Same as current law)
 - (2) Corn, \$1.95 per bushel (Same as current law)
 - (3) Grain Sorghum, \$1.95 per bushel (Same as current law)
 - (4) Barley, \$1.95 per bushel (Same as current law)

- (5) Oats, \$1.39 per bushel (Same as current law)
- (6) Upland Cotton (changed from 2008 Farm Bill from \$0.52 per pound): for the 2013 and each subsequent crop year, the simple average of the adjusted prevailing world price for the 2 immediately preceding the next domestic plantings, but in no case less than \$0.47 per pound or more than \$0.52 per pound.
- (7) Extra-long staple cotton, \$.7977 per pound (Same as current law)
- (8) Long grain rice, \$6.50 (Same as current law)
- (9) Medium grain rice, \$6.50 (Same as current law)
- (10) Soybeans, \$5.00 per bushel (Same as current law)
- (11) Other oilseeds, \$10.09 per hundredweight (Same as current law)
- (12) Dry Peas, \$5.40 per hundredweight (Same as current law)
- (13) Lentils, \$11.28 per hundredweight (Same as current law)
- (14) Small chickpeas, \$7.43 per hundredweight (Same as current law)
- (15) Large chickpeas, \$11.28 per hundredweight (Same as current law)
- (16) Graded wool, \$1.15 per pound (Same as current law)
- (17) Non-graded wool, \$0.40 per pound (Same as current law)
- (18) Mohair, \$4.20 per pound (Same as current law)
- (19) Honey, \$0.69 per pound (\$0.03 cents lower than current law)
- (20) Peanuts, \$355 per ton (Same as current law)
- Continues current law establishing single loan rates in each county for each kind of other oilseeds.

Section 1203. Terms of Loans

- Continues current law regarding the terms of marketing assistance loans as nine months; prohibits extensions.

Section 1204. Repayment of Loans

- **Section 1204 (a)** Continues current law.
- **Section 1204 (b)** Continues current law.
- **Section 1204 (c)** Continues current law establishing the loan repayment rate for extra-long staple cotton as the loan rate established under section 1202, plus interest.
- **Section 1204 (d)** Continues current law through 2017 requiring the Secretary to issue by regulation a formula to determine the prevailing world market price for upland cotton, long grain rice, and medium grain rice, and a mechanism by which the Secretary shall announce periodically those prevailing world market prices.
- **Section 1204 (e)** Continues current statutory requirement regarding adjustment to the prevailing world market prices for long grain rice, medium grain rice and upland cotton. Requires the Secretary to establish a mechanism for determining and announcing these adjustments in order to avoid undue disruption in the United States market.
- **Section 1204 (f)** Continues current law regarding the repayment rates for confectionery and other kinds of sunflower seeds (other than oil sunflower seed) at a rate that is lesser of the loan

rate established under section 1202, plus interest, or the repayment rate established for oil sunflower seed.

- **Section 1204 (g)** Continues current law regarding payment rates for cotton storage costs.
- **Section 1204 (h)** Continues current law regarding the repayment rate for peanuts
- **Section 1204 (i)** Continues current law through 2017 authorizing the Secretary to temporarily adjust repayment rates in the event of a severe disruption to marketing, transportation, or related infrastructure.

Section 1205. Loan Deficiency Payments

- **Section 1205 (a) – (d)** Continues current law through 2017 authorizing the Secretary to make loan deficiency payments available to producers who agree to forego marketing loans for the same commodities. Authorizes loan deficiency payments for producers of unshorn pelts and hay and silage, although such producers are not eligible for marketing loans. Establishes the computation for loan deficiency payments as the product of the payment rate for commodity multiplied by the quantity of the commodity produced.
- **Section 1205 (e)** Continues current law establishing the effective date for payment rate determination using the rate in effect as of the date the producers request the payment.

Section 1206. Payments in Lieu of Loan Deficiency Payments for Grazed Acreage

- Continues current law through 2017 authorizing the Secretary to make payments to producers of wheat, barley, oats, or triticale if the producers agree to use the acreage for grazing livestock and to forgo any other harvesting. Payments are required to be made at the same time as loan deficiency payments, in an amount that is the product of; the loan deficiency product rate; and the payment quantity, as determined by multiplying the quantity of grazed acreage by the payment yield. Separate rules apply for determining the triticale payment amount. Such acreage is not eligible for a crop insurance indemnity or noninsured crop assistance.

Section 1207. Special Marketing Loan Provisions for Upland Cotton.

- **Section 1207 (a)- (b)** Continues current law through 2017 requiring the President to carry out an import quota program for upland cotton whenever the Secretary determines that, for any consecutive four-week period, the Friday through Thursday average price for the lowest priced U.S. growth delivered C.I.F. Northern Europe exceeds the Northern Europe price by more than 1.25 cents per pound. Prohibits the Secretary from adjusting the average price quotation for the value of any certificates during any month for which the Secretary estimates the season-ending U.S. upland cotton stocks-to-use ratio to be below 16 percent. In making such estimates, requires the Secretary to estimate and report the season-ending U.S. Stocks-to-use ratio on a monthly basis.
- **Section 1207 (c)** Continues current law through 2017 requiring the Secretary, beginning August 1, 2012, to provide economic adjustment assistance available to domestic users of upland cotton in the form of payments for all documented use of that upland cotton during the previous monthly period regardless of the origin of the upland cotton. Assistance provided should be 3 cents per pound and made available only to domestic users of upland cotton that

certify that assistance is used to acquire, construct, install, modernize, develop, convert, or expand land, plant, buildings, equipment, facilities, or machinery.

Section 1208. Special Competitive Provisions for Extra Long Staple Cotton

- Continues current law through 2017 requiring a program to expand the domestic use of extra-long staple cotton produced in the U.S., increase exports, and ensure that the U.S. remains competitive in world markets.
- Continues current law through 2017 requiring the Secretary to make payments when: for a four week period, the world market price for the lowest priced extra-long staple cotton is below the prevailing price for a competing growth of extra-long staple cotton is less than 134 percent of the loan rate for extra-long staple cotton.

Section 1209. Availability of Recourse Loans For High Moisture Feed Grains and Seed Cotton

- Continues current law through 2017 authorizing the Secretary to make recourse loans available to producers of corn and grain sorghum who normally harvest all or a portion of their crop in a high moisture state that: present certified scale tickets or field or other physical measurements of the standing or stored crop in regions without certified commercial scales; certify that they were the owners of the feed grain; and comply with established deadlines.
- Continues current law defining "high moisture state" as corn or grain sorghum having moisture content in excess of Commodity Credit Corporation standards for marketing assistance loans.
- Continues current law through 2017 authorizing the Secretary to make available recourse seed cotton loans on any production.

Section 1210. Adjustments of Loans.

- Provides that the programs and provisions of this subtitle are applicable through 2017, and authorizes the Secretary to make adjustments in the loan rates for any commodity based on differences in grade, type, quality, location, and other factors.

Subtitle C: Sugar

Section 1301. Sugar

- **Section 156(a)-(b)** Continues current law through 2017 requiring the Secretary to make loans available to sugarcane processors at 18 cents per pound for raw cane sugar, and loans available to sugar beet processors at 22.9 cents per pound for refined beet sugar.
- **Section 156 (c)** Continues current law through 2017 authorizing the Secretary to reduce the loan rates if negotiated reductions in domestic and export subsidies of other major sugar producing countries in the aggregate exceed the commitments made a part of the Agreement on Agriculture.
- **Section 156(l)** Continues current law through 2017 authorizing the Secretary to provide refined sugars, whether from beets or cane, are substitutable for purposes of the refined sugar and sugar containing products re-export programs.

- **Section 359(b)(a)(1)** Continues current law through 2017 requiring the Secretary to annually estimate: quantity of sugar subject to human consumption in the United States; the quantity of sugar that would provide to provide reasonable carryover stocks; the quantity available from carry-in stocks for human consumption; the quantity of sugar available from domestic processing of sugarcane, sugar beets, and in-process beet sugar; and the quantity of sugars, syrups, and molasses that will be imported for human consumption.
- **Section 359I(a)** Continues current law through 2017 establishing the effective period for the program.

Subtitle D: Dairy

Part I: Dairy Production Margin Protection Program and Dairy Market Stabilization Programs

Sec. 1401. Definitions

- Defines the terms used in the Dairy Production Margin Protection Program and Dairy Market Stabilization Program.
- Milk price is the "all-milk price," or average price received by dairy operations across the United States. Average feed cost is calculated based on national corn, soybean meal, and alfalfa prices.
- Margin is the difference between the "all-milk price" and "average feed cost."

Sec. 1402. Calculation of Average Feed Cost and Actual Dairy Producer Margins

- Establishes that the national average feed cost shall be calculated by the Secretary, based on US prices for corn, soybean meal, and alfalfa each month.
- For the margin protection program, actual dairy operation margin is calculated by the Secretary by subtracting the average feed cost from the all-milk price for each consecutive 2-month period.
- For the stabilization program, actual dairy operation margin is calculated by the Secretary by subtracting the average feed cost from the all-milk price for the preceding month.

Subpart A: Dairy Production Margin Protection Program

Sec. 1411. Establishment of Dairy Production Margin Protection Program

- Establishes the DPMP program, a safety net that guarantees a certain margin of milk price over feed costs.
- Basic margin protection is available to all operations at a certain catastrophic level. Government will provide basic coverage of a \$4 margin on 80% of production based on annual production history.
- Supplemental margin protection is available for purchase with subsidized premiums. An operation will have the opportunity to purchase supplemental coverage up to an \$8 margin on up to 90% of production.

Sec. 1412. Participation of Dairy Operations in Production Margin Protection Program

- All operations are eligible for payments pursuant to the margin protection program, provided they sign up for basic or supplemental protection.
- Operations may opt for coverage through the previous safety net program, MILC, until June 2013 at modified support levels.

- Operations may participate in either MILC or DPMP program, but not both, until June 2013.
- Operations may participate in either LGM-dairy or DPMP, but not both.
- Establishes administration fee for the margin protection program; fees will be used to cover costs to administer DPMP and DMSP for USDA-administered dairy market transparency measures.
- Administration fee is waived in the case of limited resource farmers.

Sec. 1413. Production History of Participating Dairy Operations

- Establishes methods for calculating production histories for the basic and supplemental margin protection programs.
- Allows for herd growth by annually updating production history for supplemental margin protection.

Sec. 1414. Basic Margin Protection

- Basic protection is available to all participating operations to receive a basic margin protection payment whenever actual dairy margin for a consecutive 2-month period is less than \$4.00/cwt of milk.
- Operations will receive payments equal to the difference between \$4.00 and actual margin (when actual margin is less than \$4.00) on 80% of base production.

Sec. 1415. Supplemental Margin Protection

- A dairy operation participating in the basic margin protection program may annually purchase supplemental protection to cover higher margins in increments of \$0.50 for margins between \$4.50 and \$8.00 on 25%-90% of milk.
- Operations must pay an annual premium for supplemental protection based on actual production.
- A discounted premium is offered on the first 4 million pounds of milk (approximately 200-250 cows' annual production).
- A participating operation will receive payment whenever the average actual margin for a defined consecutive two-month period is less than the selected coverage threshold. Payment is based on the difference between actual margin and guaranteed margin, multiplied by the selected coverage percentage and the lesser of the annual production history divided by 6 or the actual amount of milk marketed during the previous 2-month period.

Sec. 1416. Effect of Failure to Pay Premiums

- Operations who sign up for the program are legally obligated to pay required fees and premiums.

Subpart B: Dairy Market Stabilization Program

Sec. 1431. Establishment of Dairy Market Stabilization Program

- Creates a Dairy Market Stabilization Program to assist in balancing the supply of milk with demand when producers are experiencing low or negative operating margins.
- When margin goes below a certain level, operations get a portion of their milk check reduced in order to encourage them to scale back milk production.
- Dairy Market Stabilization is voluntary, but any operation enrolled in Dairy Margin Protection Program is required to enroll in the Dairy Market Stabilization Program.

- To encourage growth, operations may update their production history base calculation method annually.

Sec. 1432. Threshold for Implementation and Reduction in Dairy Operation Payments

- The Secretary will announce the stabilization program is in effect when actual margin has been \$6.00 or less for two months, or actual margin has been \$4.00 or less for one month.
- The stabilization program will go into effect on the first day of the month following an announcement by the Secretary that margin triggers have been met. The stabilization program will be suspended as soon as certain margin conditions are met.

Sec. 1433. Producer Milk Marketings Information

- Directs the Secretary to establish process for collecting milk marketing information from dairy operations and handlers.
- Directs the Secretary to minimize regulatory burden on dairy operations and handlers.

Sec. 1434. Calculation and Collection of Reduced Dairy Producer Payments

- Defines payment reduction requirements for stabilization program based on actual dairy margin.
- Payments will not be reduced if an operation's monthly milk marketings are equal to or less than the percentage of a defined rolling base.

Sec. 1435. Remitting Monies to the Secretary and Use of Monies

- Initial handlers must remit to the Secretary an amount equal to that which they withheld from dairy operations.
- The Secretary must use the remitted monies for the purpose of expanding consumption and building demand for dairy products by purchasing dairy products for donation to food banks and other appropriate programs.

Sec. 1436. Suspension of Reduced Payment Requirement

- Provides criteria for which stabilization will be suspended.
- Includes a suspension trigger that is based on world prices and requires a comparison of U.S. cheddar cheese and nonfat dry milk prices to world cheddar cheese and skim milk powder prices.
- Ensures the stabilization program will be sensitive to world market conditions.
- Once suspended, stabilization cannot resume until 2 months have passed and criteria have been met to warrant stabilization implementation.

Sec. 1437. Enforcement

- Requires timely and accurate reporting of stabilization funds to the Secretary.
- Allows the Secretary to take necessary actions to ensure compliance.

Sec. 1438. Audit Requirements

- Authorizes the Secretary to conduct periodic audits of participating dairy operations and handlers to ensure compliance.
- Requires the audits to be random and statistically valid.
- Requires the Secretary to submit audit results to Congress, including recommendations the Secretary considers appropriate regarding the stabilization program.

Sec. 1439. Study; Report

- Requires the Secretary to direct the Office of the Chief Economist to conduct a study of the impacts of the stabilization program and report to Congress by December 1, 2016.

Subpart C: Duration

Sec. 1451. Duration

- The DPMP and DMSP are authorized for the life of the Farm Bill.

Part II: Dairy Market Transparency

Sec. 1461. Dairy Product Mandatory Reporting

- Amends the Agricultural Marketing Act of 1946 to:
 - Allow the Secretary to report on any products that may significantly aid price discovery in the dairy markets;
 - Require each manufacturer to report to the Secretary, at least monthly, information concerning price, quantity, moisture content, or any characteristics that may aid in price discovery, of dairy products sold;
 - Modify the format used to provide information to ensure the information is readily understood by market participants;
 - Require each manufacturer and person storing dairy products to report to the Secretary, at least monthly, information on the quantity of dairy products stored; and
 - Ensure dairy products in cold storage are included in reportable products.

Sec. 1462. Federal Milk Marketing Order (FMMO) Information

- Directs the Secretary to establish an information clearinghouse for the purposes of educating the public about the FMMO system and any order referenda, including proposal information and timelines.
- Requires FMMO information be made available through website and appropriate publications.

Part III: Repeal or Reauthorization of Other Dairy-Related Provisions

Sec. 1471. Repeal of Dairy Product Price Support and Milk Income Loss Contract Programs

- Repeals Dairy Product Price Support from the Food, Conservation, and Energy Act of 2008.
- Extends Milk Income Loss Contract Program from the Food, Conservation, and Energy Act of 2008 at current 45% level. Repeals MILC effective June 30, 2013.

Sec. 1472. Repeal of Dairy Export Incentive Program

- Repeals the Dairy Export Incentive Program from the Food Security Act of 1985 and provides conforming amendments to the Trade Sanctions Reform and Export Enhancement Act of 2000.

Sec. 1473. Extension of Dairy Forward Pricing Program

- Amends the Food, Conservation, and Energy Act of 2008 to extend the Dairy Forward Pricing Program through 2017.

Sec. 1474. Extension of Dairy Indemnity Program

- Amends Section 3 of Public Law 90—484 to extend the Dairy Indemnity Program through 2017.

Sec. 1475. Extension of Dairy Promotion and Research Program

- Amends the Dairy Production Stabilization Act of 1983 to extend the Dairy Promotion and Research Program through 2017.

Sec. 1476. Extension of the Federal Milk Marketing Order Review Commission

- Extends the Federal Milk Marketing Order Review Commission established in the Food, Conservation, and Energy Act of 2008.

Part IV: Effective Date

Sec. 1481. Effective Date

- This subtitle and amendments take effect on October 1, 2012.

Subtitle E: Supplemental Agricultural Disaster Assistance Programs

Section 1501. Supplemental Agricultural Disaster Assistance

- Extends certain of the disaster provisions through 2017 (including Fiscal Year 2012) in line with the remainder of Title I programs, as well as provides funding for them out of the funds of the Commodity Credit Corporation.
- Continues current law through 2017 requiring the Secretary to provide Livestock Indemnity Payments (LIP):
 - In the event of adverse weather including hurricanes, blizzards, extreme heat, floods, disease, wildfires, extreme cold and attacks by animals reintroduced into the wild by the Federal Government.
 - Payments will be 65 percent of the market value of the animal
- Continues current law through 2017 requiring the Secretary to provide Livestock Forage Payments (LFP) for losses to eligible livestock producers:
 - In the event of drought or fire.
 - Eligible coverage includes native or improved pastureland with permanent vegetative cover or
 - Land that has crops planted specifically for the purpose of providing grazing for livestock
 - Payments will be calculated by the monthly feed cost for all covered livestock using the normal carrying capacity of eligible grazing lands
- Continues current law through 2017 requiring the Secretary to provide emergency assistance for livestock, honey bees and farm raised fish (ELAP) to eligible producers to aid in the reduction of losses due to disease, adverse weather, or other conditions. Funded at \$10M/yr.
- Continues current law through 2017 requiring the Secretary to provide assistance to eligible orchardists and nursery tree growers for losses due to natural disaster.

Section 1502. Conforming Amendments

- Continues current law through 2017 requiring the Secretary to use sums as are necessary of the Commodity Credit Corporation to carry out the program of supplemental revenue assistance payments.

Subtitle F: Administration

Section 1601. Administration Generally

- Continues current law through 2017 authorizing the use of funds, facilities, and authorities of the Commodity to carry out Title I.
- Continues current law through 2017 requiring determinations to be made by the Secretary shall be final and conclusive.
- Continues current law through 2017 providing promulgation of regulations.
- Continues current law through 2017 requiring the Secretary to the maximum extent practicable, make adjustments in the amount of expenditures under subtitles A through E that are subject to the total allowable domestic support levels under the Uruguay Round Agreements, if the Secretary determines that those expenditures will exceed such allowable levels for any applicable reporting periods.

Section 1602. Suspension of Permanent Price Support Authority

- Continues current law through 2017 authorizing the permanent price support authority of the Agricultural Adjustment Act of 1938 and Agricultural Act of 1949 for 2013 through 2017 crops of covered commodities (as defined in section 1104), cotton, and sugar and shall not be applicable to milk during the period beginning on the date of enactment of this Act through December 31, 2017.

Section 1603. Payment Limitations

- Limits the total amount of payments received, directly, or indirectly, by a person or legal entity (except a joint venture for general partnership) for any crop year under subtitle A of the Agriculture Reform, Food, and Jobs Act to \$50,000 for all covered commodities except peanuts. Limits payments for peanuts to \$50,000.

Section 1604. Payments Limited to Active Farmers

- Amends Section 1001A of the Food Security Act of 1985 to ensure that payments do not go to individuals who are not farming by striking "or active personal management" each place it appears in subparagraphs (A)(i)(II) and (B)(ii). The section also provides for one person to qualify as actively engaged solely based upon providing management to the farming operation, but ensures that that individual does not qualify multiple entities.

Section 1605. Adjusted Gross Income Limitation

- Amends current law regarding Adjusted Gross Income eligibility requirements deleting the farm/nonfarm distinction and prohibiting a person or legal entity from receiving benefits under subtitle A if the average gross income of the person or legal entity exceeds \$750,000 by using a moving three-year average.

Section 1606. Geographically Disadvantaged Farmers and Ranchers

- Continues current law through 2017 authorizing the Secretary to provide geographically disadvantaged farmers and ranchers direct reimbursement payments described in section (c).

Section 1607. Personal Liability for Producers for Deficiencies

- Continues current law exempting producers from liability for certain deficiencies in collateral.

Section 1608. Prevention of Deceased Individuals Receiving Payments Under Farm Commodity

- Continues current law through 2017 requiring the Secretary to reconcile social security numbers of all individuals who receive payments whether directly or indirectly with the Commissioner or Social Security to determine if the individuals are alive.
- Continues current law through 2017 requiring the Secretary to preclude the issuance of payments to and on behalf of deceased individuals that were not eligible for payments.

Section 1609. Appeals

- Continues current law through 2017 requiring the Secretary to establish procedures to track program benefits under Title I and II to that Act directly or indirectly to individuals and entities.

Section 1610. Technical Corrections

- Continues current law requiring that necessary technical changes to be made.

Section 1611. Assignments of Payments

- Continues current law requiring that assignment of payments must be done in accordance with USDA regulations.

Section 1612. Tracking of Benefits

- Continues current law through 2017 requiring the Secretary to establish procedures to track program benefits under Title I and II of that Act directly or indirectly to individuals and entities.

Section 1613. Signature Authority

- Continues current law through 2017 authorizing the Secretary to approve documents containing signatures of program applicants, the Secretary shall not subsequently determine the document is inadequate or invalid because of the lack of authority of any applicant signing the document on behalf of the applicant unless the applicant unless the applicant knowingly and willfully falsified the evidence of signature authority or a signature.

Section 1614. Implementation

- Amends current law through 2017 authorizing the Secretary to make funds available to the Farm Service Agency to carry out this title (\$100,000,000).

Title II
Conservation
Section-by-Section Summary

Subtitle A: Conservation Reserve Program

Sec. 2001. Extension and enrollment requirements of conservation reserve program

- Extends the program authorization through 2017.
- Adds the definition for grasslands that will be eligible to be enrolled in the program.
- Establishes the “step down” for maximum enrolled acres for fiscal years (FY) 2013-2017:
 - FY2012 – 32 million acres
 - FY2013 – 30 million acres
 - FY2014 – 27.5 million acres
 - FY2015 – 26.5 million acres
 - FY2016 – 25.5 million acres
 - FY2017 – 25 million acres
- Adds a provision for the enrollment of 1.5 million acres of grasslands. The secretary may grant priority to lands expiring from current conservation reserve program contracts that will retain grass cover.
- Retains the Secretarial designation of conservation priority areas. Removes the watershed specific designations of the Chesapeake Bay Region, the Great Lakes Region, and the Long Island Sound Region.

Sec. 2002. Farmable wetland program

- Extends the Farmable Wetland Program authorization through 2017.
- Changes the program from a pilot program to a standing program.

Sec. 2003. Duties of owners and operators

- Deletes the provisions for haying, grazing, and wind turbines from the duties of owners and operators. The provision is revised and moved to the duties of the Secretary.
- Moves the language for rental rate reductions for authorized activities to a duty of the Secretary.

Sec. 2004. Duties of the Secretary

- Allows for no reduction in rental rates for harvesting, grazing, or other commercial use of the forage in response to flooding, drought, or other emergency.
- Provides for a reduction of not less than 25 percent in the annual rental rate for authorized harvesting or grazing activity, or in the case of grazing by livestock of beginning farmers or ranchers, no reduction in rental rate.
- Clarifies the frequency of harvesting and routine grazing consistent with a conservation plan.
- Provides for the incidental use of buffers adjacent to agricultural lands.
- Describes the authorized activities for enrolled grasslands as grazing, haying, mowing, or harvesting for seed production. The Secretary shall permit activities such as fire suppression, rehabilitation and construction of fire breaks, fencing, livestock watering, and necessary cultural practices.
- Adds provisions for individuals with expiring contracts to initiate conservation and land improvement practices in the final year of the contract with a commensurate reduction in rental value. Re-enrollment of these lands is prohibited for at least 5 years.

Sec. 2005. Payments

- Adds clarification on cost-share payments for proper thinning and practices to improve the condition of lands planted to trees, windbreaks, shelterbelts, and wildlife corridors.
- Adds a provision for grassland annual payments in an amount not more than 75 percent of the grazing value of the land under contract.
- Provides flexibility for the Secretary to consider the NASS survey data in establishing payment rates
- Strikes the provisions for “payments in kind” through Commodity Credit Corporation stocks.

Sec. 2006. Contract requirements

- Continues the language for transitioning lands for a retiring farmer and rancher to a beginning farmer or rancher, or socially disadvantaged farmer or rancher with conforming changes to other sections.

Sec. 2007. Conversion of land subject to contract to other conserving uses

- Repeals this provision which is no longer applicable for contracts in place prior to November 28, 1990.

Sec. 2008. Effective date

- Sets the effective date of the amendment as October 1, 2012, except that Section 2001 (acreage limitations) is effective upon passage of the Act, and establishes no effect on existing contracts.

Subtitle B: Conservation Stewardship Program

Sec. 2101. Conservation stewardship program

- This section substitutes for, but is primarily drawn from current law.
- Amends SEC. 1238D. Definitions—
 - Adds definitions of agricultural operation and eligible land.
 - Clarifies priority resource concern and stewardship threshold.
 - Strikes conservation measurement tool and resource concern definitions.
- Amends SEC. 1238E. Conservation Stewardship Program—
 - Authorizes the program through 2017.
 - Increases the emphasis on new conservation.
 - Allows enrollment of lands that are under agricultural lands easements option of the Agricultural Conservation Easements Program.
 - Removes the 10 percent enrollment cap on nonindustrial private forestland acreage.
- Amends SEC. 1238F. Stewardship Contracts—
 - Raises the program eligibility requirement so that participants must be meeting the stewardship threshold for 2 priority resource concerns.
 - Establishes a priority enrollment consideration for expiring CRP acres.
 - Clarifies that a producer shall have control of the eligible land to be enrolled at the time of application to the program.
 - Increases emphasis on additional conservation by requiring participants to address 2 additional resource concerns for one, 5-year contract renewal at the end of the first contract term.
- Amends SEC. 1238G. Duties of the Secretary—

- Increases the number of locally identified priority resource concerns from 3 to 5 to at least 5.
- Eliminates the requirement for use of the conservation measurement tool but calls for establishing a science-based stewardship threshold for each priority resource concern.
- Establishes the enrollment limitation of 10,348,000 acres each year through 2021.

Subtitle C: Environmental Quality Incentives Program

Sec. 2201. Purposes

- Adds “develop and improve wildlife habitat” as a purpose for assisting producers to install and maintain conservation practices.

Sec. 2202. Definitions

- Removes the definition for National Organic Program and incorporates the reference to the program in the organic system plan definition.

Sec. 2203. Establishment and administration

- Extends the program authorization through 2017.
- Allows limited resource farmers, socially disadvantaged farmers and ranchers, beginning farmers and ranchers, and veteran farmers or ranchers advance payments and up to 90 days to implement practices from the date of the advance.
- Continues the allocation of funding practices related to livestock production as at least 60 percent of the funds.
- Establishes at least 5 percent of the funds will be targeted to practices benefitting wildlife habitat.
- Establishes wildlife habitat incentive practices as conservation practices that support restoration, development, and improvement of wildlife habitat for upland wildlife, wetland wildlife, threatened and endangered species, fish habitat, pivot corners and irregular fields, and other types.

Sec. 2204. Evaluation of applications

- Makes minor wording changes to emphasize the conservation purpose of the program.

Sec. 2205. Duties of producers

- Makes minor wording changes to clarify duties of producers relate only to enrolled lands.

Sec. 2206. Limitation on payments

- Replaces the 6-year rolling payment limit with a firm time period of 2013 through 2017 that will streamline and simplify program administration.

Sec. 2207 Conservation innovation grants and payments

- Includes a reporting requirement for the Secretary to increase transparency of how funds are used and the derived benefits.

Sec. 2208. Effective date.

- Establishes October 1, 2012, as the effective date for this section
- Clarifies that this amendment will not affect contracts entered into before October 1, 2012.

Subtitle D: Agricultural Conservation Easement Program

Sec. 2301. Agricultural Conservation Easement Program

- This section establishes a new Subtitle H within the Food Security Act of 1985, as amended.
- SEC. 1265. Establishment and purpose—
 - Combines the easement authorities of the Wetlands Reserve Program (WRP), Grasslands Reserve Program (GRP), and Farmland Protection Program (FPP) into an agricultural conservation easement program.
- SEC. 1265A. Definition— defines the two easement types (agricultural land easements and wetland easements), eligible entities, and eligible lands.
- SEC. 1265B. Agricultural land easements—
 - Establishes the 3 valuation options for determining fair market value.
 - Establishes terms of easements as permanent, or maximum allowed by state law.
 - Clarifies that the Secretary may provide up to 50 percent of the appraised fair market value of an easement and that eligible entities may include a landowner donation as part of their match.
 - Provides waiver authority for the Secretary to provide up to 75 percent percent of the appraised fair market value of an easement for grasslands of special environmental significance.
 - Retains the entity certification process from FPP and opportunity for non-certified entities to participate.
- SEC. 1265C. Wetland easements.—
 - Provides 30 year, permanent, and maximum duration by state law easement enrollment options, or 30 year contract enrollment option for Indian Tribes.
 - Establishes landownership requirement of 24 months prior to enrollment.
 - Retains WRP ranking criteria and priority for migratory and other wildlife habitat.
 - Retains WRP easement terms and conditions (permitted and prohibited activities) and compatible uses.
 - Establishes the WRP grazing rights pilot as a permanent provision.
 - Includes a wetlands enhancement option for States, which is the same as the wetlands reserve enhancement in WRP.
- SEC. 1265D. Administration—
 - Describes certain ineligible land.
 - Adds a priority for CRP enrollment in the program.
 - Provides clarification and criteria for easement subordination, exchange, modification, and termination determinations (new for agricultural land easements and subordination added for WRP).
- Establishes October 1, 2012, as the effective date for this section.

Subtitle E: Regional Conservation Partnership Program

Sec. 2401. Regional Conservation Partnership Program

- SEC. 1271. Establishment and Purpose—
 - Combines the authorities of the agricultural water enhancement program (AWEP), Chesapeake Bay watershed program, cooperative conservation partnership initiative (CCPI), and Great Lakes basin program into a regional conservation partnership program (RCPP).

- SEC. 1271A. Definitions—
 - Defines EQIP, CSP, and ACEP as the covered programs through which RCPP is delivered.
 - Defines eligible activities that address water resource concerns (flooding, drought, retention, quality, conversion to dryland, sedimentation), erosion, and wildlife, with a flexibility for the Secretary to identify other activities.
 - Defines eligible partners to include producer associations or cooperatives, State or unit of local government, Indian tribes, institution of higher education, and organizations with a history of working with producers on agricultural land (all partners previously eligible for AWEPP and CCPI).
- SEC. 1271B. Regional Conservation Partnerships—
 - Establishes partnership agreement authority for the Secretary.
 - Clarifies the duties of the partners including defining the scope of the project, identifying the program resources needed, conducting producer outreach, leveraging resources, and reporting to the Secretary on the results of the project.
 - Clarifies that proposal selection is competitive and merit-based.
- SEC. 1271C. Assistance to Producers—
 - Describes that contracts with producers must be consistent with the rules of the covered programs, but allows the Secretary to provide limited flexibility at the request of the partner.
 - Provides authority for the Secretary to enter into special funding arrangements with up to 10 multi-state water resource agencies or authorities if they can ensure programmatic integrity and comply with rigorous reporting and audit requirements to the Secretary.
 - Clarifies that payments are made consistent with the covered programs.
 - Allows for 5-year payments for conversion from irrigated to dryland farming.
- SEC. 1271D. Funding—
 - Authorizes the program from 2013 through 2017.
 - Makes available \$100,000,000 per year in mandatory funding.
 - Provides additional funding and acres at 6 percent from each of the covered programs (EQIP, CSP, and ACEP).
 - Allocates funding as 50 percent to national competition, 25 percent to State level competition, and 25 percent for critical conservation areas.
- SEC. 1271E. Administration— Requires the Secretary to report biennially to Congress on the status of projects under the program.
- SEC. 1271F. Critical Conservation Areas—Authorizes the Secretary to designate up to 8 critical conservation areas with priority for multistate areas with significant agricultural production, areas covered by an existing plan with established goals and objectives, areas with large bodies of water with water quality concerns, areas with water quantity concerns (flood prevention, water retention, water supply), or areas that may be subject to regulatory requirements that could reduce the economic scope of agriculture in the area.
- Establishes October 1, 2012, as the effective date for this section

Subtitle F: Other Conservation Programs

Sec. 2501. Conservation of private grazing land

- Authorizes funding at \$30,000,000 in appropriations for each fiscal year from 2013 through 2017.

Sec. 2502. Grassroots source water protection program

- Authorizes funding at \$15,000,000 in appropriations for each fiscal year from 2013 through 2017.

Sec. 2503. Voluntary public access and habitat incentive program

- Authorizes mandatory funding at \$40,000,000 for FY 2013 through 2017.
- Requires the Secretary to report on the effectiveness of the program.

Sec. 2504. Agriculture conservation experienced services program

- Adds ACEP to the programs that can be used under the program.

Sec. 2505. Small watershed rehabilitation program

- Reauthorizes program and authorizes appropriations at \$85,000,000 each year through FY 2017.

Sec. 2506. Terminal lakes assistance program.

- Reauthorizes and amends Desert Terminal Lakes program to include an appropriations authorization for land purchase grant opportunities.
- Authorizes mandatory funding at \$150,000,000 for FY 2013 through 2017 and authorizes appropriations of \$25 million.

Subtitle G: Funding and Administration

Sec. 2601. Funding

- Authorizes Commodity Credit Corporation funding for programs under this title through FY2017:
 - The conservation reserve program transition incentive payments at \$50,000,000 and tree thinning activities at \$10,000,000
 - The Agriculture Conservation Easement Program:
 - FY2013 – \$450,000,000;
 - FY2014 – \$475,000,000;
 - FY2015 – \$500,000,000;
 - FY2016 – \$525,000,000;
 - FY2017 – \$250,000,000;
 - The conservation security program
 - The conservation stewardship program
 - The environmental quality incentives program:
 - FY2013 – \$1,500,000,000;
 - FY2014 – \$1,600,000,000; and
 - FY2015 through FY2017 – \$1,650,000,000.

Sec. 2602. Technical assistance

- Adds a requirement for the Secretary to report annually to the Committees on the amount of funds requested and apportioned for technical assistance.

Sec. 2603. Regional equity

- Strikes the \$15,000,000 target for regional equity allocations and replaces with 0.6 percent in order to allow allocations to synchronize with annual program appropriations.

Sec. 2604. Reservation of funds to provide assistance to certain farmers or ranchers for conservation access

- Extends the EQIP and CSP 5 percent set aside for beginning and socially disadvantaged farmers and ranchers to 2017 and adds priority for eligible producers who are also veterans.

Sec. 2605. Annual report on program enrollments and assistance

- Aligns the Secretary's reporting requirements on program enrollments and assistance to reflect the consolidation and related program adjustments made by this amendment.

Sec. 2606. Administrative requirements applicable to all conservation programs

- Combines language on improved administrative efficiency and streamlining from individual programs and places here to apply to all conservation programs.
- Expands and clarifies requirements for developing a streamlined conservation application process.
- Clarifies that any payment received under this title is in addition to and does not affect total payments that an owner or operator is otherwise eligible to receive.

Sec. 2607. Rulemaking authority

- Directs the Secretary to move expeditiously with rulemaking and provides for operation of programs under interim rules.

Sec. 2608. Standards for State technical committees

- Modifies language to require the Secretary to review and update state technical committee operating standards only as necessary.

Subtitle H: Repeal of Superseded Program Authorities and Transitional Provisions

Sec. 2701. Comprehensive conservation enhancement program

- Repeals the comprehensive conservation enhancement program.

Sec. 2702. Emergency forestry conservation reserve program

- Removes this no longer applicable provision for enrolling lands in response to the hurricanes of calendar year 2005 and provides for enrolled contracts to continue until their expiration date.

Sec. 2703. Wetlands reserve program

- Repeals the wetlands reserve program.

Sec. 2704. Farmland protection program and farm viability program

- Repeals the farmland protection program.

Sec. 2705. Grassland reserve program

- Repeals the grassland reserve program.

Sec. 2706. Agricultural water enhancement program

- Repeals the agricultural water enhancement program.

Sec. 2707. Wildlife habitat incentive program

- Repeals the wildlife habitat incentive program.

Sec. 2708. Great Lakes basin program

- Repeals the Great Lakes basin program

Sec. 2709. Chesapeake Bay watershed program

- Repeals the Chesapeake Bay watershed.

Sec. 2710. Cooperative conservation partnership initiative

- Repeals the cooperative conservation partnership initiative

Sec. 2711. Environmental easement program

- Repeals the environmental easement program.

Title III
Trade
Section-by-Section Summary

Subtitle A: Food for Peace Act

Section 3001. Support for Eligible Organizations

- Raises the amount of funds available to organizations to facilitate the delivery of food aid to 15% of the total appropriation.

Section 3002. Food aid quality

- Expands the Administrator's ability to develop nutritious food aid products.

Section 3003. Minimum levels of assistance

- Reauthorizes program authority through 2017.

Section 3004. Reauthorization of Food Aid Consultative Group

- Reauthorizes program authority through 2017.

Section 3005. Monitoring and Evaluation

- Removes authority to spend money on upgrading IT systems.
- Deletes section on a completed GAO report.
- Reauthorizes program authority through 2017.

Section 3006. Food Aid Delivery

- Reauthorizes program authority through 2017.

Section 3007. Monetization

- Sets a 70% cost recovery rate when monetizing commodities.
- If the rate of return is below that threshold, the Administrator must report the reasons to Congress.

Section 3008. Flexibility

- Adds flexibility for the Administrator to facilitate food aid distribution.

Section 3009. Prepositioning

- Increases funds available for getting food aid to strategic positions in case of emergency.

Section 3010. Deadline for agreements to finance sales or to provide other assistance

- Reauthorizes program authority through 2017.

Section 3011. Safebox

- Provides for the Administrator to spend between 15 and 30% of the total appropriation on non-emergency projects.

Section 3012. Coordination of foreign assistance programs report

- Strikes language for a completed report.

Section 3013. Micronutrient fortification programs

- Deletes reference to an obsolete study.

Section 3014. John Ogonowski and Doug Bereuter Farmer-to-Farmer Program

- Changes the alternative minimum on the program to .6% of the total appropriation.

Subtitle B: Agricultural Trade Act of 1978

Section 3101. Export Credit Guarantee Program

- Reauthorizes program authority through 2017.
- Allows for up to \$4,500,000,000 in credit guarantees.

Section 3102. Market Access Program

- Reauthorizes program authority through 2017.

Section 3103. Foreign Market Development Cooperator Program

- Reauthorizes program authority through 2017.

Subtitle C: Other Agricultural Trade Laws

Section 3201. Food for Progress Act of 1985

- Deletes reference to a completed project in Malawi.
- Adds flexibility for the Administrator to facilitate food aid distribution.
- Sets a 70% cost recovery rate when monetizing commodities
- If the rate of return is below that threshold, the Administrator must report to Congress

Section 3202. Bill Emerson Humanitarian Trust

- Reauthorizes program authority through 2017.

Section 3203. Promotion of agricultural exports to emerging markets

- Reauthorizes program authority through 2017.

Section 3204. McGovern-Dole

- Reauthorizes program authority through 2017.

Section 3205: Technical Assistance for Specialty Crops

- Reauthorizes program authority through 2017.

Section 3206. Global Crop Diversity Trust

- Reauthorizes program authority through 2017

Section 3207. Local and Regional Procurement Projects

- Continues the authority for USDA to conduct local and regional procurement projects
- Gives preference to organizations with projects under the McGovern-Dole program to promote graduation from that program.

- Requires the Secretary to submit a report to Congress on the impact of these projects.

Section 3208. Donald Payne Horn of Africa Food Resilience Program

- Provides grants for projects that are working on the ground in the Horn of Africa to build resilience to food crises and prevent future outbreaks. Requires a study of the projects implemented through government agencies and how they can better work together to improve outcomes.

Section 3209. Agricultural Trade Enhancement Study

- Requests that the Secretary study a reorganization of the international trade functions (imports and exports) at USDA including the establishment of an Under Secretary for Trade and Foreign Agricultural Affairs.

**Title IV
Nutrition
Section-by-section Summary**

Subtitle A: Supplemental Nutrition Assistance Program

Section 4001. Food Distribution on Indian Reservations

- Reauthorizes the Food Distribution Program on Indian Reservations.

Section 4002. Standard Utility Allowances Based on the Receipt of Energy Assistance Payments

- Stops States from annually issuing extremely low LIHEAP benefits to qualify otherwise ineligible households for Standard Utility Allowances, which result in increased monthly SNAP benefits.
- Only annual LIHEAP benefits of \$10 or more will qualify a household without out-of-pocket utility expenses to receive a Standard Utility Allowance deduction for calculating monthly SNAP food benefits.

Section 4003. Eligibility Disqualifications

- Limits SNAP eligibility for college students to students participating in technical and vocational education programs, such as 2-year colleges, remedial course work, basic adult literacy, and English as a Second Language instruction.

Section 4004. Ending Supplemental Nutrition Assistance Program benefits for gambling winners

- Makes households ineligible to receive SNAP food benefits if one of the household members receives substantial lottery or gambling winnings, and remain ineligible for SNAP until income eligibility requirements are met.
- Requires States to coordinate with State lottery and gambling authorities to identify individuals participating in SNAP who receive substantial winnings.

Section 4005. Retailers

- Requires participating retailers to stock at least 3 of the 4 staple food categories: dairy products; meat poultry or fish; fruits or vegetables; and bread or cereals. Previously, a qualified SNAP retailer had to carry 2 of the 4 staple food categories.
- Bans retailers from participating in SNAP if sales attributable to liquor and tobacco exceed 45 percent of total sales.
- Requires SNAP retailers to pay 100 percent of the cost of electronic benefit transfer machines, with an exemption for farmers' markets, military commissaries, and nonprofit food buying cooperatives.
- Restricts States from issuing manual vouchers for SNAP unless the Secretary deems it necessary for emergency purposes.
- Requires all parties providing EBT machines to provide unique identification numbers to enable the Secretary to access precise data for addressing retailer trafficking.

Section 4006. Improving Security of Food Assistance

- Requires households with excessive replacement card requests to provide State agencies with an explanation for the lost cards.

- Allows State agencies to decline issuance of replacement cards until the household provides an explanation.
- Requires States to protect the interests of homeless, disabled, victims of crimes, and other vulnerable citizens.

Section 4007. Technology Modernization for Retailers

- Authorizes demonstration projects for authorized retailers to accept SNAP benefits through mobile electronic devices other than stationary EBT machines, and to accept SNAP benefits through on-line transactions.
- Requires retailers and States to protect consumer information privacy.
- Requires retailers to ensure the price of food is not higher when using mobile technologies.
- Requires retailers to pay costs associated with implementing mobile technologies.
- Requires States to test mobile technologies before approving use in all SNAP retailers, and requires the Secretary to issue a report to Congress.
- Prohibits SNAP benefits for the payment of any food delivery fees and any purchase online other than eligible food.

Section 4008. Use of Benefits for Purchase of Community-Supported Agriculture Share

- Allows SNAP benefits for the purchase of CSA shares. The initial cost of the share may be paid at an appropriate amount of time in advance of food delivery.

Section 4009. Restaurant Meals Program

- Ensures the integrity of the SNAP restaurant meals program by providing the Secretary with additional authority over State restaurant meal program options and retailer eligibility requirements.

Section 4010. Quality Control Error Rate Determination

- Establishes the State threshold level for reporting SNAP errors at \$25 or greater.

Section 4011. Authorization of Appropriations

- Reauthorizes appropriations for SNAP.

Section 4012. Assistance for Community Food Projects

- Provides grants to eligible nonprofit organizations to improve community access to food.
- Eliminates grant eligibility for infrastructure improvement and development.
- Increases funding by \$5 million per year starting in fiscal year 2013, raising the total annual funding to \$10 million per year.

Section 4013. Emergency Food Assistance

- Requires funding for the Emergency Food Assistance Program to be available for 2 years.
- Increases existing funding indexed to inflation by \$150 million over 10 years.
- Front-loads the funding increase by \$28 million in FY2013, \$24 million in FY2014, \$20 million in FY2015, \$18 million in FY2016, and by adding \$10 in FY2017 and every following fiscal year.

Section 4014. Nutrition Education

- Allows "physical activity" as an eligible use of SNAP Nutrition Education funding.

Section 4015. Retailer and Recipient Trafficking

- Provides the Secretary \$18.5 million per year in additional funding to prevent SNAP food benefit trafficking.

Section 4016. Technical and Conforming Amendments

Subtitle B: Commodity Distribution Programs

Section 4101. Commodity Distribution Program

- Reauthorizes the Commodity Distribution Program.

Section 4102. Commodity Supplemental Food Program

- Focuses CSFP to serve senior citizens, and phases-out eligibility for women, infants, and children.

Section 4103. Distribution of Surplus Commodities to Special Nutrition Projects

- Reauthorizes the Secretary's authority to participate in reprocessing agreements with private companies to stretch the value and amount of surplus commodity foods available for nutrition programs.

Section 4104. Technical and conforming amendments

Subtitle C: Miscellaneous

Section 4201. Purchase of Fresh Fruits and Vegetables for Distribution to Schools and Service Institutions

- Reauthorizes the DoD Fresh Program.

Section 4202. Senior Farmers' Market Nutrition Program

- Reauthorizes the Senior Farmers' Market Nutrition Program.

Section 4203. Nutrition Information Awareness Pilot Program

- Repeals the program.

Section 4204. Whole Grains Products

- Renews funding for the whole grain products program at \$10 million for 2 years.

Section 4205. Hunger-free Communities

- Establishes hunger-free communities incentive grants to incentivize purchases of fruits and vegetables by SNAP participants in underserved communities.
- Limits the Federal cost share of grants to 50 percent.
- Provides \$100 million/5 years in mandatory funding (\$15 million for FY2013, \$20 million for FY2014-2016, \$25 million for FY2017), and \$5 million per year authorized funding.

Section 4206. Healthy Food Financing Initiative

- Provides an authorization of funding for community development financial institutions to create revolving loan programs for fresh, healthy food retailers to overcome high costs of entry into underserved areas.
- Authorizes \$125 million to remain available until expended.

Section 4207. Purchase of Commodities by Commodity Credit

- Clarifies the Secretary's authority for considering the needs of emergency feeding organizations when making Section 32 commodity food purchases.

**Title V
Credit
Section-by-Section Summary**

Section 3002. Definitions

- Expands eligibility for farm ownership loans for new and beginning farmers by replacing “median” with “average” farm size.

Subtitle A: Farm Loans, Servicing, and Other Assistance

CHAPTER 1- FARM OWNERSHIP LOANS

Section 3101. Farm Ownership Loans

- Permits farm ownership loans for “joint operation, or other such legal entities as the Secretary determines to be appropriate” to expand access to farm loans in response to modern legal entities created for estate succession planning.
- Allows the Secretary to define additional qualifying agriculture experience to make it easier for applicants to meet the 3-year farming or ranching experience requirement.

Section 3102. Purposes of Loans

- Continues current law.

Section 3103. Conservation Loan and Loan Guarantee Program

- Reauthorizes the program through 2017.

Section 3104. Loan Maximums

- Continues current law.

Section 3105. Repayment Requirements for Farm Ownership Loans

- Continues current law.

Section 3106. Limited-Resource Loans

- Continues current law.

Section 3107. Down payment Loan Program

- Reauthorizes the program through 2017.
- Increases the maximum loan value in the program to 45 percent of \$667,000.

CHAPTER 2- OPERATING LOANS

Section 3201. Operating Loans

- Permits operating loans for “other such legal entity as the Secretary determines to be appropriate” to expand access to farm loans in response to modern legal entities created for estate succession planning.
- Extends the 7-year term limits for direct operating loans by allowing one additional year for every three consecutive years a does not receive a direct operating loan.
- Eliminates the 15-year term limits for guaranteed operating loans.

Section 3202. Purposes of Loans

- Continues current law.

Section 3203. Restrictions on Loans

- Continues current law.

Section 3204. Terms of Loans

- Continues current law.

CHAPTER 3- EMERGENCY LOANS

Section 3301. Emergency Loans

- Continues current law.

Section 3302. Purposes of Loans

- Continues current law.

Section 3303. Terms of Loans

- Continues current law.

Section 3304. Production Losses

- Continues current law.

CHAPTER 4- GENERAL FARMER LOAN PROVISIONS

Section 3401. Agricultural Credit Insurance

- Continues current law.

Section 3402. Guaranteed Farmer Loans

- Continues current law.

Section 3403. Provision of Information to Borrowers

- Continues current law.

Section 3404. Notice of Loan Service Programs

- Continues current law.

Section 3405. Planting and Production History Guidelines

- Continues current law.

Section 3406. Special Conditions and Limitations on Loans

- Continues current law.

Section 3407. Graduation of Borrowers

- Continues current law.

Section 3408. Debt Adjustment and Credit Counseling

- Continues current law.

Section 3409. Security Servicing

- Continues current law.

Section 3410. Contracts on Loan Security Properties

- Continues current law.

Section 3411. Debt Restructuring and Loan Servicing

- Continues current law.

Section 3412. Relief for Mobilized Military Reservists from Certain Agricultural Loan Obligations

- Continues current law.

Section 3413. Interest Rate Reduction Program

- Continues current law.

Section 3414. Homestead Property

- Continues current law.

Section 3415. Transfer on Inventory Land

- Continues current law.

Section 3416. Target Participation Rates

- Continues current law.

Section 3417. Compromise or Adjustment of Debts of Claims by Guaranteed Lender

- Continues current law.

Section 3418. Waiver of Mediation Rights by Borrowers

- Continues current law.

Section 3419. Borrower Training

- Continues current law.

Section 3420. Loan Assessments

- Continues current law.

Section 3421. Supervised Credit

- Continues current law.

Section 3422. Market Placement

- Continues current law.

Section 3423. Recordkeeping of Loans by Gender of Borrower

- Continues current law.

Section 3424. Crop Insurance Requirement

- Continues current law.

Section 3425. Loan and Loan Servicing Limitations

- Continues current law.

Section 3426. Short Form Certification of Farm Program Borrower Compliance

- Continues current law.

Section 3430. Beginning Farmer Individual Development Accounts Pilot Program.

- Reauthorizes the program through 2017.

Section 3431. Farmer Loan Pilot Projects.

- Allows the Secretary to conduct targeted pilot projects within the Farm Loan programs after soliciting input from the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

Section 3432. Authorization of Appropriations and Allocation of Funds

- Reauthorizes direct ownership and operating loan levels through 2017.

Section 5101. State Agricultural Mediation Programs

- Reauthorizes the program through 2017.

Section 5102. Loans to Purchasers of Highly Fractionated Lands.

- Allows the Secretary to establish intermediary relending for the highly fractionated land program for Indian tribes and tribal corporations.

Section 5103. Removal of Duplicative Appraisals.

- Simplifies the appraisal process for loans to Indian tribes or tribal corporations for the purchase of highly fractionated land by allowing an appraisal from either the Secretary of Agriculture or the Secretary of the Interior.

**Title VI
Rural Development
Section-by-Section Summary**

Section 3002. Definitions

- (28)(A)(i) Definition of Rural and Rural Area. Raises population eligibility requirement to 50,000 for Rural Community and Rural Business Programs.
- (28)(A)(ii) Excludes urbanized areas contiguous or adjacent to city or towns larger than 50,000 from being defined as “rural.”
- (28)(B) Determination of Areas Rural in Character. Allows cities or towns located within an urbanized area to petition the Under Secretary for Rural Development to be considered a rural area. Includes criteria for the Under Secretary to take in consideration when making such determinations, including population density, economic conditions, commuting patterns, and whether a community was eligible for Rural Water, Community Facilities or Rural Broadband programs under previous definition of rural.
- (28)(C) Extends the current exclusion for “urbanized areas” where a single road may cause a rural town or area to be included within an urbanized area. The exclusion language directs the Secretary to disregard the urbanized area classification for areas that are rural in all aspects but for a road connecting the area to a bigger city.

Subtitle B: Rural Community Programs

Section 3501. Water and Waste Disposal Loans, Loan Guarantees, and Grants

- Section 3501 (a)-(d) Reauthorizes the Rural Water Grant and Loan Programs.
- Section 3501 (e)(1) Reauthorizes Revolving Funds for Financing Water and Wastewater Projects.
- Section 3501 (e)(2) Reauthorizes Emergency and Imminent Community Water Assistance Program.
- Section 3501 (e)(3) Reauthorizes Water and Waste Facility Loans and Grants to Alleviate Health Risks.
- Section 3501 (e)(3)(B) Specifies eligibility for native villages for Alaska and Hawaii for Water and Waste Facility Loans and Grants to Alleviate Health Risks.
- Section 3501 (e)(4) Reauthorizes Solid Waste Management Grants.
- Section 3501 (e)(5) Reauthorizes Rural Water and Wastewater Technical Assistance and Training Programs, including the Rural Water and Wastewater Circuit Rider Program.
- Section 3501 (e)(6) Reauthorizes the Special Evaluation Assistance for Rural Communities and Households (SEARCH) Program.
- Section 3501 (f) Establishes priorities for Rural Water programs, which is similar to current law. Includes prioritization of communities of less than 5,500 in population.
- Section 3501 (g) Maintains current law preventing larger municipal systems from encroaching upon the service area of rural water program borrowers.
- Section 3501 (h) Authorization of Appropriations.

Section 3502. Community Facilities Loans, Loan Guarantees, and Grants

- Section 3502 (a)-(d) Reauthorizes the Community Facilities Programs.
- Section 3502 (e) Establishes priorities for programs, including prioritization of communities with less than 20,000 in population.
- Section 3502 (f) Reauthorizes Tribal Colleges and Universities Program.

- Section 3502 (g) Authorizes Technical Assistance for Community Facilities Projects as a part of current Community Facilities program.

Section 3503. Health Care Services

- Section 3503 reauthorizes the Delta Health Care Services Program.

Chapter 2- Rural Business and Cooperative Development

Section 3601. Business Programs

- Section 3601 (a) Creates Rural Business Development Grants- Combines the Rural Business Opportunity Grants and Rural Business Enterprise Grants authorities into one program.
- Section 3601 (b) Reauthorize Value Added Agricultural Producer Grants.
- Section 3601(b)(D) Establishes priority for projects in which at least 25 percent of the project recipients are beginning farmers or ranchers or socially disadvantaged farmers or ranchers.
- Section 3601 (c) Reauthorize Rural Cooperative Development Grants. Includes directive for the Secretary to coordinate an interagency working group among Federal agencies to support cooperative development.
- Section 3601 (d) Reauthorize Appropriate Technology Transfer for Rural Areas Program.
- Section 3601 (e) Reauthorizes Business and Industry Direct and Guaranteed Loans. Raises initial fee to 3 percent from current authorization of 2 percent.
- Section 3601 (f) Reauthorizes Relending Programs.
- Section 3601 (f) (1) Reauthorizes Intermediate Relending Program.
- Section 3601 (f) (2) Reauthorizes Rural Microentrepreneur Assistance Program.
- Section 3601 (f) (2) (A) Adds definition of Training and Technical Assistance.
- Section 3601 (f) (2) (C) Clarifies match requirement of 15 percent.

Section 3602. Rural Business Investment Program

- Section 3602 reauthorizes the Rural Business Investment Program, while providing authority to the Secretary to establish capital requirements, establish fees for applicants applying for a license to operate as a rural business investment company, and ensures the majority of capital of each rural business company is invested in rural concerns.

Chapter 3—General Rural Development Provisions

Section 3701. General Provisions for Loans and Grants

- Reauthorizes General Provisions for Loans and Grants authority.

Section 3702. Strategic Economic and Community Development

- Section 3703 (a) Authorizes the Secretary to prioritize otherwise eligible applications that support strategic economic and community Development.
- Section 3703 (b) Establishes criteria by which the Secretary should evaluate strategic applications.

Section 3703. Guaranteed Rural Development Loans

- Reauthorization of Guaranteed Rural Development Loan authority.

Section 3704. Rural Development Insurance Fund

- Reauthorization of Rural Development Insurance Fund.

Section 3705. Rural Economic Area Partnership Zones

- Section 3705 (a) Establishes a competitive process for the Secretary to designate new Rural Economic Area Partnership zones.
- Section 3705(b) Directs the Secretary to carry out those rural economic area partnership zones in effect on date of enactment of the Agriculture Reform, Food, and Jobs Act of 2012.

Section 3706. Streamlining Applications and Improving Accessibility of Rural Development Programs

- Directs the Secretary to expedite the process of creating user-friendly and accessible application forms and procedures prioritizing programs and applications at the individual level with an emphasis on utilizing current technologies such as online applications.

Chapter 4—Delta Regional Authority

Section 3801 – Section 3814

- Reauthorization of Delta Regional Authority.

Chapter 5—Northern Great Plains Regional Authority

Section 3821 – Section 3835

- Reauthorization of Northern Great Plains Regional Authority.
- Section 3834 Establishes a cap on administrative expenses of 10 percent, an increase from the current 5 percent cap.

Subtitle C: General Provisions

Section 3901. Full Faith and Credit

- Re-establishes that a contract of insurance or guarantee executed by the Secretary under this title shall be an obligation supported by the full faith and credit of the United States.

Section 3902. Purchase and Sale of Guaranteed Portions of Loans

- Re-establishes that terms under which the Secretary may purchase and sell the guaranteed portion of a loan guaranteed under this title if the Secretary determines that an adequate secondary market is not available in the private sector.

Section 3903. Administration

- Re-establishes that terms under which the Secretary may administer programs under this title.

Section 3904. Loan Moratorium and Policy on Foreclosures

- Re-establishes the Secretary's authority to permit, at the request of the borrower, the deferral of principal and interest on any outstanding loan made or guaranteed by the Secretary under this Title and to forgo foreclosure on the loan for a time period that the Secretary considers necessary upon demonstration that the borrower is temporarily unable to continue making payments.

Section 3905. Oil and Gas Royalty Payments on Loans

- Re-establishes the Secretary's authority to permit a borrower to make a prospective payment

on a loan with proceeds from the leasing of oil, gas, or other mineral rights to real property used to secure the loan or the sale of oil, gas, or other minerals removed from the property used to secure the loan if the value of the rights to the oil, gas, or other minerals has not been used to secure the loan.

Section 3906. Taxation

- Re-establishes that all property subject to a lien held by the United States or the title to which is acquired or held by the Secretary under this Title (other than property used for administrative purposes) will be subject to taxation by state, territory, district, and local political subdivisions in the same manner and to the same extent as other property is taxed.

Section 3907. Conflicts of Interest

- Re-establishes that no officer, attorney, or other employee of USDA may, directly or indirectly, be the beneficiary of or receive any fee, commission, gift, or other consideration for or in connection with any transaction or business under this Title other than such salary, fee, or other compensation as they might receive in those positions, and states penalties for violation of the section.
- Re-establishes that an officer or employee of USDA that has reviewed an application for a loan to purchase land under this title may not acquire an interest in that land for a period of 3 years, and states penalties for violation of the section.

Section 3908. Loan Summary Statements

- Re-establishes that upon the request of a borrower of a loan made (but not guaranteed) under this title, the Secretary shall issue to the borrower a loan summary statement that reflects the account activity during the summary period for each loan made under this title to the borrower.

Section 3909. Certified Lenders Program

- Directs the Secretary to establish a program under which the Secretary will guarantee loans under this Title that are made by lending institutions certified by the Secretary.

Section 3910. Loans to Resident Aliens

- Re-establishes the Secretary's authority to make a loan under this Title to an alien lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act (8 U.S.C. 1101 et seq.).

Section 3911. Expedited Clearing of Title to Inventory Property

- Re-establishes the Secretary's authority to employ local attorneys, on a case-by-case basis, to process legal procedures necessary to clear the title to foreclosed properties in USDA's inventory.

Section 3912. Prohibition on Use of Loans for Certain Purposes

- Re-establishes that the Secretary may not approve a loan under this Title to drain, dredge, fill, level or otherwise manipulate a wetland or engage in any activity that results in impairing or reducing the flow, circulation or reach of water. An exemption is provided in the case of an activity began before November 28, 1990 or a loan made for a utility line.

Section 3913. Regulations

- Re-establishes the Secretary's authority to issue regulations and rules necessary to implement the Title.

Subtitle B: Rural Electrification

Section 6101. Definition of Rural Area

- Changed the definition of rural area for programs under the Rural Electrification Act to be the same as in Section 3002 (28)(A)(i).

Section 6102. Guarantees for Bonds and Notes Issued for Electrification or Telephone Purposes

- Reauthorization of Guarantees for Bonds and Notes Issued for Electrification or Telephone Purposes.

Section 6103. Expansion of 911 Access

- Reauthorization of Expansion of 911 Access authority.

Section 6104. Access to Broadband Telecommunications Services in Rural Areas

- Section 6104(1) Establishes a Grant component to current Broadband Loan Program.
- Section 6104 (2) Creates priority for communities without an incumbent service provider; for communities with a population of less than 20,000 permanent residents; a rural community experiencing outmigration; a community with a high percentage of low-income residents; or a rural community isolated from other significant population centers.
- Section 6104(3)(B) Establishes the maximum grant limit as 50 percent of project development costs.
- Section 6104(3)(D) Provides the Secretary with the authority to increase the grant up to 75 percent for communities that do not have an existing service provider, are remote and have low-income populations.
- Section 6104(8) Establishes transparency and reporting requirements for projects that receive funding.

Subtitle C: Miscellaneous

Section 6201. Distance Learning and Telemedicine

- Reauthorization of Distance Learning and Telemedicine.

Section 6202. Rural Energy Savings Program

- Authorizes a new program called the Rural Energy Savings Program which provides loans to qualified consumers to implement durable cost-effective energy efficiency measures.

**Title VII
Research
Section-by-Section Analysis**

Subtitle A: National Agricultural Research, Extension, and Teaching Policy Act of 1977

Section 7101. National Agricultural Research, Extension, Education, and Economics Advisory Board

- Reauthorizes the National Agricultural Research, Extension, Education, and Economics Advisory Board.
- Directs the NAREEE Board to consult with affected industry groups before recommendations are given to the Secretary.

Section 7102. Specialty Crop Committee

- Enhances the Specialty Crop Committee and strengthens its role with the Specialty Crop Research Initiative.
- Clarifies that Committee membership shall reflect the diversity in the specialty crop industry.

Section 7103: Veterinary Services Grant Program

- Authorizes the Veterinary Services Grant Program.
- Authorizes an additional matching competitive grant program with qualified entities to develop, implement, and sustain veterinary services.
- Requires a qualifying entity to carry out programs that. (1) relieve veterinarian shortage situations, (2) support private veterinary practices engaged in public health activities, or (3) support practices of veterinarians who are participating in or have successfully completed a specified service requirement.
- Authorized at \$10M per year.

Section 7104. Grants and Fellowships for Food and Agriculture Sciences Education

- Reauthorizes Grants and Fellowships for Food and Agriculture Sciences Education at \$40M per year.

Section 7105. Agriculture and Food Policy Research Centers

- Authorizes Policy Research Centers.
- Directs the Secretary to award grants through the Office of the Chief Economist.
- Clarifies that only competitive grants may be awarded under this section.
- Provides preference to centers that have databases, models and experience providing Congress with agricultural market projections, rural development analysis, agriculture policy analysis and baseline projections.
- Authorizes at \$5M per year.

Section 7106. Education Grants to Alaska Native Serving Institutions and Native Hawaiian Serving Institutions

- Reauthorizes the Education Grants to Alaska Native Serving Institutions and Native Hawaiian Serving Institutions.

Section 7107. Nutrition Education Program

- Reauthorizes the Nutrition Education Program.

Section 7108. Continuing Animal Health and Disease Research Programs

- Reauthorizes the Continuing Animal Health and Disease Research Programs at \$25M per year.

Section 7109. Grants to Upgrade Agricultural and Food Sciences Facilities at 1890 Land-Grant Colleges, Including Tuskegee University

- Reauthorizes Grants to Upgrade Agricultural and Food Sciences Facilities at 1890 Land-Grant Colleges, Including Tuskegee University.

Section 7110. Grants to Upgrade Agricultural and Food Sciences Facilities and Equipment at Insular Area Land-Grant Institutions

- Reauthorizes Grants to Upgrade Agricultural and Food Sciences Facilities and Equipment at Insular Area Land-Grant Institutions.

Section 7111. Hispanic-Serving Institutions

- Reauthorizes the Hispanic-Serving Institutions.

Section 7112. Competitive Grants for International Agricultural Science and Education Programs

- Reauthorizes the Competitive Grants for International Agricultural Science and Education Programs at \$5M per year.

Section 7113. University Research

- Reauthorizes University Research.

Section 7114. Extension Service

- Reauthorizes Extension Service.

Section 7115. Supplemental and Alternative Crops

- Reauthorizes Supplemental and Alternative Crops at \$1M per year.
- Clarifies that only competitive grants can be awarded under this section.

Section 7116. Capacity Building Grants for NLGCA Institutions

- Reauthorizes Capacity Building Grants for NLGCA Institutions.

Section 7117. Aquaculture Assistance Programs

- Reauthorizes the Aquaculture Assistance Programs at \$5M per year.
- Clarifies that only competitive grants can be awarded under this section.

Section 7118. Rangeland Research Programs

- Reauthorizes the Rangeland Research Programs at \$2M per year.

Section 7119. Special Authorization for Biosecurity Planning and Response

- Reauthorizes the Special Authorization for Biosecurity Planning and Response at \$20M per year.

Section 7120. Distance Education and Resident Instruction Grants Program for Insular Area Institutions of Higher Education

- Reauthorizes the Distance Education and Resident Instruction Grants Program for Insular Area Institutions of Higher Education at \$2M per year.
- Clarifies that only competitive grants will be awarded under the section of Distance Education Grants for Insular Areas.

Subtitle B: Food, Agriculture, Conservation, and Trade Act of 1990

Section 7201. Best Utilization of Biological Applications

- Reauthorizes the Best Utilization of Biological Applications at \$40M per year.

Section 7202. Integrated Management Systems

- Reauthorizes the Integrated Management Systems at \$20M per year.

Section 7203. Sustainable Agriculture Technology Development and Transfer Program

- Reauthorizes the Sustainable Agriculture Technology Development and Transfer Program.

Section 7204. National Training Program

- Reauthorizes the National Training Program at \$20M per year.

Section 7205. National Genetics Resources Program

- Reauthorizes the National Genetics Resources Program at \$1M per year.

Section 7206. National Agricultural Weather Information System

- Reauthorizes National Agricultural Weather Information System at \$1M per year.

Section 7207. High-Priority Research and Extension Initiatives

- Reauthorizes authority for grants to address pollinator protection; and
- Alfalfa Forage Research Program;
- Deer Initiative;
- Bighorn and Domestic Sheep Disease Mechanisms;
- Potato Research and Extension;
- Dairy Financial Risk Management Research and Extension ;
- Wood Use Research and Extension;
- Moves authority for the Secretary to designate Regional Centers of Excellence to a separate section of the Act (see section 7210).
- Authorizes Pulse Health Initiative.
- Authorizes Training Coordination for Food and Agriculture Protection.
- Allows the Secretary to appoint a task force to make recommendations on high priority research.

Section 7208. Organic Agriculture Research and Extension Initiative

- Reauthorizes the Organic Agriculture Research and Extension Initiative and provides \$80M in mandatory funding at \$16M per year for fiscal years 2013 through 2017.
- Adds education as a function of the program.
- Makes minor modifications to priority areas.

Section 7209. Farm Business Management

- Reauthorizes the Farm Business Management program at \$5M per year.

Section 7210. Regional Centers of Excellence

- Reauthorizes Regional Centers of Excellence at \$10M per year and moved from a separate section of the Act (see section 7207).

Section 7211. Assistive Technology Program for Farmers with Disabilities

- Reauthorizes the Assistive Technology Program for Farmers with Disabilities at \$5M per year.

Section 7212. National Rural Information Center Clearinghouse

- Reauthorizes the National Rural Information Center Clearinghouse.

Subtitle C—Agriculture Research, Extension, and Education Reform Act of 1998

Section 7301. Relevance and Merit of Agricultural Research, Extension, and Education Funded by the Department

- Amends section to emphasizing that “relevance” of the underlying research and extension programs to the affected industry shall be considered in evaluating grant applications. The Secretary will now do an ongoing consult with the Advisory Board.

Section 7302. Integrated Research, Education, and Extension Competitive Grants Program

- Reauthorizes the Integrated Research, Education, and Extension Competitive Grants Program.

Section 7303. Support for Research Regarding Diseases of Wheat, Triticale, and Barley Caused by Fusarium Graminearum or by Tilletia Indica

- Reauthorizes Research Regarding Diseases of Wheat, Triticale, and Barley Caused by Fusarium Graminearum or by Tilletia Indica at \$10M per year.

Section 7304. Grants for Youth Organizations

- Reauthorizes the Grants for Youth Organizations at \$3M per year.

Section 7305. Specialty Crop Research Initiative

- Reauthorizes the Specialty Crop Research Initiative.
- Language now includes handling and processing in the priority areas.
- Modifies the matching fund provision to allow for the use of other federal and non-federal funds in meeting the match requirements.
- Removes 10% minimum funding carve out for program priorities 1-5.
- Provides mandatory funding for program as follows: \$25M for 2013, \$30M for 2014 – 2015, \$65M for 2016, \$50M for 2017 and each year thereafter.

Section 7306. Food Animal Residue Avoidance Database Program

- Reauthorizes the Food Animal Residue Avoidance Database Program at \$2.5M per year.

Section 7307. Office of Pest Management Policy

- Reauthorizes the Office of Pest Management Policy at \$3M per year.

Section 7308. Authorization of Regional Integrated Pest Management Centers

- Reauthorization of Regional Integrated Pest Management Centers.

Subtitle D—Other Laws

Section 7401. Critical Agricultural Materials Act

- Reauthorizes the Critical Agricultural Materials Act at \$2M per year.

Section 7402. Equity in Educational Land-Grant Status Act of 1994

- Reauthorizes the Equity in Educational Land-Grant Status Act of 1994.
- Updates the names of institutions as well as provides for additional entities and one deletion.
- Changes research grant requirements by allowing grant applications to be submitted in cooperative agreement with ARS or at least 1 other land grants institution, a non-land-grant college of agriculture or a cooperating forestry school.

Section 7403. Research Facilities Act

- Reauthorizes the Research Facilities Act.

Section 7404. Competitive, Special, and Facilities Research Grant Act

- Reauthorizes USDA's Agriculture and Food Research Initiative (AFRI) at \$700 million per year
- Directs USDA to report on barriers that exist in the competitive grant process that may prevent eligible institutions with limited resources to apply and provide specific recommendations the Department may take to remove these barriers.

Section 7405. Enhanced Use Lease Authority Pilot Program Under Department of Agriculture Reorganization Act of 1994

- Reauthorizes Enhanced Use Lease Authority Pilot Program Under Department of Agriculture Reorganization Act of 1994.

Section 7406. Renewable Resources Extension Act of 1978

- Reauthorizes the Renewable Resources Extension Act of 1978.

Section 7407. National Aquaculture Act of 1980

- Reauthorizes the National Aquaculture Act of 1980.

Section 7408. Beginning Farmer and Rancher Development Program

- Beginning Farmer and Rancher Development Program is reauthorized.
- Adds dedicated funds to military veterans and provides definition of military veteran.
- Provides for a one-time allocation of \$50M in mandatory funding to be available until expended.

Subtitle E—Food, Conservation, and Energy Act of 2008 Part I-Agricultural Security

Section 7501. Agricultural Biosecurity Communication Center

- Reauthorizes the Agricultural Biosecurity Communication Center at \$2M per year.

Section 7502. Assistance to Build Local Capacity in Agricultural Biosecurity Planning, Preparation, and Response

- Reauthorizes the Assistance to Build Local Capacity in Agricultural Biosecurity Planning, Preparation, and Response at \$15M per year.

Section 7503. Research and Development of Agricultural Countermeasures

- Reauthorizes the Research and Development of Agricultural Countermeasures at \$15M per year.

Section 7504. Agricultural Biosecurity Grant Program

- Reauthorizes the Agricultural Biosecurity Grant Program at \$5M per year.

PART II – MISCELLANEOUS

Section 7511. Grazinglands Research Laboratory

- Reauthorizes the Grazinglands Research Laboratory.

Section 7512. Budget Submission and Funding

- New language added to create transparency and accountability with regard to intramural and extramural research programs administered by the Department.
- Requires that the annual Presidential Budget Submission include sufficient information for the Congress to thoroughly evaluate and approve future spending plans with regard to extramural competitive grants programs and intramural research spending.

Section 7513. Natural Products Research Program

- Reauthorizes the Natural Products Research Program at \$7M per year.

Section 7514. Sun Grant Program

- Reauthorizes, consolidates, and amends the Sun Grant Program to expand input from other appropriate federal agencies, authorizes bioproducts and eliminates authorization for gasification research.
- Makes program competitive.

Subtitle F-- Miscellaneous

Section 7601. Foundation for Food and Agriculture Research

- Establishes a non-profit organization administered by an appointed Board of Directors representing the diverse sectors of the agriculture and agricultural research community with the primary purpose of supplementing the efforts of USDA basic and applied research activities.
- Leverages federal investment in agricultural research through soliciting and accepting private donations to award grants for collaborative public/private partnerships with scientists and entities including USDA, academia, non-profits, and the private sector.
- Incorporates accountability and transparency measures for good governance.

**Title VIII
Forestry
Section-by-Section Analysis**

Subtitle A: Repeal of Certain Forestry Programs

Section 8001. Forest Land Enhancement Program.

- Repeals the forest land enhancement program whose authority expired in 2008.

Section 8002. Watershed Forestry Assistance Program.

- Repeals the watershed forestry assistance program whose authority expired in 2008.

Section 8003. Expired Cooperative National Forest Products Marketing Program.

- Repeals cooperative national forest products marketing program whose authorization expired in 1991.

Section 8004. Hispanic-serving institution agricultural land national resources leadership program.

- Repeals program authorization of never funded program.

Section 8005. Tribal watershed forestry assistance program.

- Repeals program authorization whose authority expired in 2008.

Subtitle B: Reauthorization of Cooperative Forestry Assistance Act of 1978 Programs

Section 8101. State-Wide Assessment and Strategies for Forest Resources.

- Extends the program through 2017 at \$10 million per year.
- Focuses state efforts on achieving national priorities by assisting landowners with planning and implementing forest and land management practices.

Section 8102. Forest Stewardship Program.

- Extends the program through 2017 and sets new authorized level of \$50 million per year.

Section 8103. Forest Legacy Program.

- Extends the program through 2017 and sets a new authorized level of \$200 million per year. .

Section 8104. Community Forest and Open Space Conservation Program.

- Extends the program through 2017 and sets new authorized level of \$50 million per year.

Section 8105. Urban and Community Forestry Assistance.

- Extends the program through 2017 and sets new authorized level of \$50 million per year.

Subtitle C—Reauthorization of Other Forestry-related Laws

Section 8201. Rural revitalization technologies.

- Reauthorizes program through 2017.

Section 8202. Office of International Forestry.

- Extends the program through 2017 and sets new authorized level of \$10 million per year.

Section 8203. Insect infestations and related diseases.

- Reauthorizes section and authorities for the Secretary to designate areas impacted by insect infestation and disease for treatment.
- Requires the Secretary to designate treatment areas on National Forest land due to insect or disease infestation.

Section 8204. Stewardship end result contracting projects.

- Reauthorizes Stewardship Contracting.

Section 8205. Healthy Forest Reserve Program.

- Expands program eligibility for lands owned by Indian tribes.
- Extends program through 2017 and sets authorization level at \$9.75 million per year.

Subtitle D—Miscellaneous Provisions

Section 8301. McIntire-Stennis Cooperative Forestry Act

- Provides the Secretary the ability to waive matching requirement for 1890 institutions and to expand program participation eligibility for institutions in the Federated States of Micronesia, American Samoa, Northern Mariana Islands and Guam.

Section 8302. Revision of strategic plan for forest inventory and analysis

- Requires the Secretary to revise the strategic plan for forest inventory and analysis to include further investigation into a series of areas to improve forest management.

<p style="text-align: center;">Title IX Energy Section-by-Section Analysis</p>

Section 9001: Definitions

- Adds definition of renewable chemical.

Section 9002. Biobased Markets Program

- Reauthorizes the biobased markets program at \$2M per year.
- Allows the Secretary to establish a targeted number of biobased procurement requirements for the biobased procurement preference program.
- Requires reporting of biobased purchases from procurement agencies.
- Requires the Secretary to designate assembled and finished products for the procurement and labeling program.
- Adds an auditing and compliance for the biopreferred labeling program.
- Allows outreach and education activities for the biobased markets program.
- Directs USDA to conduct an economic impact study on biobased products.
- Sets a new focus on products that demonstrate innovation regardless of date of entry into the marketplace.
- Directs the Forest Products Lab's to assist in approval for forest related products as well as providing technical assistance to the forestry industry.
- Mandatory Funding- \$3,000,000 for each of fiscal years 2013 through 2017.

Section 9003. Biorefinery, Renewable Chemical and Biobased Product Manufacturing Assistance

- Reauthorizes the Biorefinery Assistance Program at \$150M per year.
- Expands program eligibility to renewable chemicals and biobased products.
- Defines Biobased Product Manufacturing as the development, construction, and retrofitting of technologically new commercial-scale processing and manufacturing equipment and required facilities that will be used to convert renewable chemicals and other biobased outputs of biorefineries into end-user products on a commercial scale.
- Mandatory Funding- \$100,000,000 for fiscal year 2013 and \$58,000,000 for each of fiscal years 2014 and 2015.
- Of the total amount of funds made available for the period of fiscal years 2013 through 2015 not more than \$25,000,000 can be directed towards biobased product manufacturing.

Section 9004. Repeal of Repowering Assistance Program and Transfer of Remaining Funds

- Repeals repowering assistance program and directs the remaining funds to the Rural Energy for America Program (REAP).

Section 9005. Bioenergy Program for Advanced Biofuels

- Reauthorizes the Bioenergy Program at \$20M per year.

Section 9006. Biodiesel Fuel Education Program

- Reauthorizes the Biofuels Education Program at \$1M per year.
- Mandatory Funding- \$1,000,000 for each of fiscal years 2013 through 2017.

Section 9007. Rural Energy for America Program (REAP)

- Reauthorizes the Rural Energy for America Program (REAP) at \$20M per year.
- Amends the 2-meter rule by including “agricultural and associated residential purposes” as eligible.
- Allows RC&D councils to be eligible for energy audit and technical assistance portion of the program.
- Removes feasibility studies.
- Tiers the grant application process into three tiers (<80k, 80-200,>200k).
- Instructs the Secretary to streamline and simplify grant application process for grants under \$80,000.
- Sets a cap of \$500,000 for grants.
- Mandatory Funding- \$48,200,000 for each of fiscal years 2013 through 2017.

Section 9008 Biomass Research and Development Initiative

- Reauthorizes the Biomass R&D Program at \$30M per year.
- Mandatory Funding- \$26,000,000 for each of fiscal years 2013 through 2017.

Section 9009. Feedstock Flexibility Program for Bioenergy Producers

- Reauthorizes the Feedstock Flexibility Program.

Section 9010. Biomass Crop Assistance Program (BCAP)

- Reauthorizes the Biomass Crop Assistance Program at \$20M per year.
- Specifies eligible versus non-eligible materials.
- Maintains Collection, Harvest, Storage, and Transport (CHST) with safeguard modifications.
- Mandatory Funding-\$38,600,000 for each of fiscal years 2013 through 2017.
- Of the Mandatory money made available for each fiscal year, the Secretary shall use not less than 10 percent, nor more than 50 percent, of the amount to make collection, harvest, transportation, and storage payments.

Section 9011. Repeal of Forest Biomass for Energy

- Repeals Forest Biomass for Energy.

Section 9012. Community Wood Energy Program

- Reauthorizes the Community Wood Energy Program at \$5M per year.

Section 9013. Repeal of Renewable Fertilizer Study

- Repeals Study on Renewable Fertilizer.

Title X
Specialty Crops
Section-by-section Summary

Section 10001. Specialty Crops Market News Allocation

- Continues authorization for specialty crop market news allocation.
- This program expands market news activities to provide timely price information on fruits and vegetables. Current authorized funding for this program will be maintained.
- Funding Level. \$9 million/year authorized

Section 10002. Repeal of Grant Program to Improve Movement of Specialty Crops

- Repeals the grant program to improve the movement of specialty crops.

Section 10003. Farmers Market and Local Food Promotion Program

- Reauthorizes and expands the existing Farmers Market Promotion Program.
- Provides competitive grants to improve and expand farmers markets, roadside stands, community-supported agriculture programs, and other direct producer-to-consumer market opportunities.
- Grants may also be used to help develop local food system infrastructure targeted at serving low-income populations.
- Includes cost share of 25% funding match.
- Funding Level: \$100 million/5years mandatory, \$20 million/year authorized

Section 10004. Study on Local Food Production and Program Evaluation

- Directs Secretary to collect data on the production and marketing of locally or regionally produced agricultural food products, facilitate interagency collaboration and data sharing on programs related to local and regional food systems, and evaluate the success of current local promotion programs.
- No resources are provided for this study and evaluation.

Section 10005. Organic Agriculture

Organic Production And Market Data Initiatives

- The organic data initiatives program funds basic USDA data collection on the organic sector.
- Funding Level: \$5 million mandatory lump sum funding, \$5 million/year authorized

National Organic Program

- The National Organic Program ensures the integrity of the organic seal by enforcing standards and accrediting certifiers.
- Requires a report to be submitted to the House and Senate Agriculture Committees describing the efforts of the Secretary to assess the feasibility of establishing an organic research and promotion program.
- Funding Level: \$15 million per year authorized
- The NOP technology upgrade will modernize NOP organic database technology systems.
- New Funding Level: \$5 million mandatory lump sum payment.

Section 10006. Food Safety and Education Initiatives

- Maintains the current authorization for food safety and education initiatives.
- This program educates persons involved in fresh produce industry, and public, about sanitary handling practices and ways to reduce pathogens in fresh produce.
- Funding Level: \$1 million/year authorized.

Section 10007. Consolidation of Plant Pest and Disease Management and Disaster Prevention

Programs

- Consolidates the National Clean Plant Network, which produces clean pathogen free plant material for producers, into a larger program focused on plant pest and disease management, early detection and surveillance, and disaster prevention projects.
- Increases funding for the consolidated program.
- Funding Level: FY13. \$60 million mandatory, FY14: \$60 million mandatory, FY15: \$60 million mandatory, FY16. \$60 million mandatory, FY17: \$65 million mandatory.

Section 10008. Specialty Crop Block Grants

- Increases funding for Specialty Crop Block Grants which provide States with funding for projects that benefit both producers and consumers of fruits, vegetables, tree nuts, and nursery crops.
- Examples of project areas that would qualify for funds include, but are not limited to: food safety; food security; nutrition; trade enhancement; education; research; promotion; marketing, and plant health programs.
- Changes the grant allocation formula from solely the value of specialty crop production in a state, to the average of both value of specialty crop production and acres of specialty crops planted in a state.
- Includes a new set aside for multi-state projects which is re-allocated to States if unused.
- Funding Level: \$70 million/year mandatory

Section 10009. Recordkeeping, Investigations, and Enforcement

- Requires all organic producers to maintain records of contracts, agreements, receipts associated with the organic certification program.
- Gives Secretary authority to carry out investigations, administer oaths and affirmations, subpoena witnesses, and obtain documentation related to an investigation.
- Allows Secretary to suspend or revoke organic certification if producers or handlers do not provide Secretary with requested information pertinent to organic certification.
- Gives the Secretary authority to stop sale if a producer or handler misrepresents their product as being organic.
- Allows for a civil penalty of not more than \$10,000 for violating an order of organic certification revocation.

Section 10010. Report on Honey

- Requires Secretary, in consultation with stakeholders to submit a report to FDA describing how an appropriate Federal Standard of Identification of honey would promote honesty and fair dealing and would be in the interest of consumers, the honey industry.

Section 10011. Effective Date

- October 1, 2012

Specialty Crop Related Not In Title X

Specialty Crop Research Initiative (VII)

- Funds key research projects for fruits, vegetables and other specialty crops. Ensures funding will be available for this program in the next farm bill.
- Funding Level: FY13= \$25m, FY14 and FY15= \$65m, FY16 and FY17= \$50m

Organic Research and Extensive Initiative (VII)

- Funds key organic priorities. Expands priorities to include new focuses like food safety.
- Funding Level: \$80 million/5 years

Organic Certification Cost Share Program in AMA (XI)

- This program provides organic producers with 75% of, or \$750 toward the cost of organic certification.
- Funding Level: \$11.5 annually (\$57.5 million/5 years)

<p style="text-align: center;">Title XI Crop Insurance Section-by-Section</p>

Section 11001. Supplemental Coverage Option

- Amends section 508(c) of the Federal Crop Insurance Act to create a new coverage option based on an individual yield and loss basis, supplemented with coverage based on an area yield and loss basis that covers all or part of the deductible under the individual yield, loss policy, or a margin basis that includes the following provisions:
 - (1) triggers only if losses in the area exceed 10 percent of normal levels;
 - (2) includes a deductible of 21 percent of the expected value of the crop under the underlying insurance policy for producers in ARC.
 - (3) provides for a premium subsidy of 70 percent of the premium associated with the coverage
 - (4) covers the operating and administrative expenses

Section 11002. Premium amounts for catastrophic risk protection

- Amends Section 508(d) of the Federal Crop Insurance Act to establish, in the case of catastrophic risk protection, that the amount of the premium established by the Corporation for each crop for which catastrophic risk protection is available, shall be:
 - (1) Reduced by the percentage equal to the difference between the average loss ratio for the crop and 100 percent, plus a reasonable reserve.

Section 11003. Permanent Enterprise Unit

- Amends section 508(e)(5) of the Federal Crop Insurance Act to allow the Corporation to pay a portion of premiums for whole farm or enterprise unit insurance policies.

Section 11004. Enterprise Units for Irrigated and Nonirrigated Crops

- Amends section 508(e)(5) of the Federal Crop Insurance Act to make available separate enterprise units for irrigated and nonirrigated acreages of crops in counties beginning in the 2013 crop year.

Section 11005. Data Collection

- Amends section 508(g)(2) of the Federal Crop Insurance Act to allow the use of data collected by the Risk Management Agency, the National Agricultural Statistics Service, or both, to determine yields. Where sufficient county data is not available, authorizes the Secretary to use data from other sources.

Section 11006. Adjustment in Actual Production History to Establish Insurable Yields

- Amends section 508(g)(4)(B) of the Federal Crop Insurance Act to increase the percentage of the applicable transitional yield used to replace excluded recorded or appraised yields from 60 percent to 70 percent for the 2013 and subsequent crop years.

Section 11007. Submission and Review of Policies

- Amends section 508(h)(1) of the Federal Crop Insurance Act to require the Corporation to review policies developed under the research and development contracting authority at 522(c), or pilot program developed under 523, and submit to the Board for review programs that will likely result in viable and marketable policies, provide crop insurance in a significantly improved form, and adequately protect the interests of producers.

Section 11008: Board Review and Approval

- Amends section 508(h) of the Federal Crop Insurance Act to provide additional guidance to the Board to approve plans that do not unfairly discriminate among producers or have adverse impacts on crop insurance delivery, and are likely to result in viable and marketable policies, offer an improved form, or provide previously unavailable coverage.
- Allows the Board to establish and publish annual priorities on its website.
- Requires the Board to consider prioritizing products that address underserved commodities, inadequate coverage, and low participation.

Section 11009. Consultation

- Amends Section 508(h)(4) of the Federal Crop Insurance Act to require the submitter to consult with groups representing producers of agricultural commodities in all major producing areas for the commodities to be served or impacted by the submission.

Section 11010. Budget Limitations on Renegotiation of the Standard Reinsurance Agreement

- Amends section 508(k)(8) of the Federal Crop Insurance Act to require the Board to ensure budget neutrality to the maximum extent practicable, and return any savings realized in Standard Reinsurance Agreement renegotiations to RMA programs.

Section 11011. Stacked Income Protection Plan for Producers of Upland Cotton

- Adds a new section 508B to the Federal Crop Insurance Act that provides upland cotton producers a revenue loss coverage option not more than 30 percent of expected county revenue, specified in increments of 5 percent and with deductible no less than 10 percent.
- Establishes coverage based on.
 - (1) an expected price that is the expected price established under existing Group Risk Income Protection or is the area wide policy offered by the Corporation, and
 - (2) an expected county yield that is the higher of the expected county yield for area wide plans or the average of applicable yield data from the county for the most recent 5 years, excluding the highest and lowest years .
- Uses a multiplier factor to establish maximum protection per acre of not more than 120 percent.

- Establishes distinct coverage for irrigated and nonirrigated practices, and provides for a premium subsidy of 80 percent of the premium by the Corporation.

Section 11012. Peanut Revenue Crop Insurance

- Adds a new section 508C to the Federal Crop Insurance Act to create a revenue crop insurance program for peanut producers, beginning in crop year 2013, using the effective price for peanuts equal to the Rotterdam price index, adjusted to reflect the farmer stock price of peanuts in the U.S.

Section 11013. Authority to Correct Errors

- Amends section 515(c) of the Federal Crop Insurance Act to allow an insurance provider or agent to correct information to make it consistent with information a producer reported to FSA, provided the corrections do not allow the producer to obtain a disproportionate benefit or avoid any ineligibility requirements or legal obligations.

Section 11014. Implementation

- Amends section 515 of the Federal Crop Insurance Act to implement an acreage report streamlining initiative that will allow producers to report acreage and other information directly to the Department.
- Requires the Secretary to notify Congress of substantial completion of the initiative by July 1, 2013. Provides funding of \$25,000,000 for fiscal year 2013 and \$10,000,000 for fiscal years 2014 through 2017. If initiative deadlines are met, it provides for \$15,000,000 per year for fiscal years 2014 through 2017 instead of \$10,000,000.

Section 11015. Approval of Costs for Research and Development

- Amends Section 522(b)(2) of the Federal Crop Insurance Act to allow the Board, at its discretion, to increase the 50 percent limitation to 75 percent on advance payments for research and development if the proposal provides coverage for an underserved region or crop, including specialty crops, and the submitter of the proposal does not have sufficient resources to fund development.

Section 11016. Whole Farm Risk Management Insurance

- Amends section 522(c) of the Federal Crop Insurance Act to develop a whole farm risk management insurance plan, with a liability limitation of \$1,500,000 that allows a diversified crop and livestock producer to qualify for an indemnity if actual gross revenue is below 85 percent of average gross farm revenue or reasonable expected gross farm revenue. Includes provisions on eligible producers, diversification, and market readiness value, and requires a report to Congress not later than 2 years after enactment.

Section 11017. Crop Insurance for Livestock

- Amends section 522(c) of the Federal Crop Insurance Act (as amended by section 11016) by requiring a contract with a qualified person to conduct a study to determine the feasibility of insuring swine producers for catastrophic event.
- Requires the Corporation to submit a report to the Committee on Agriculture, Nutrition, and Forestry of the Senate on results of the study.

Section 11018. Margin Coverage for Catfish

- Amends section 522(c) of the Federal Crop Insurance Act (as amended by section 11017) by requiring the Corporation to offer a contract to a qualified entity to conduct research and development regarding a policy to insure producers against reduction in the margin between the market value of catfish and selected costs incurred by the production of catfish.

Section 11019. Research and Development

- Amends section 522 (c) of the Federal Crop Insurance Act by allowing the Corporation to conduct activities or enter into contracts to carry out research and development to maintain or improve existing policies or develop new policies.

Section 11020. Pilot Programs

- Amends section 523(a) of the Federal Crop Insurance Act to increase Corporation discretion to conduct pilot programs and eliminates the evaluation and reporting requirement.

Section 11021. Index-Based Weather Insurance Pilot Program

- Amends section 523(a)(2) of the Federal Crop Insurance Act to allow the Corporation to conduct a pilot program to provide financial assistance for producers of underserved crops and livestock (including specialty crops) to purchase an index-based weather insurance product from a private insurance company.
- Requires the Corporation to use \$10,000,000 to carry out the pilot programs for each of the fiscal years 2013 through 2017.

Section 11022. Enhancing Producer Self-Help Through Farm Financial Benchmarking

- Amends section 502(b) of the Federal Crop Insurance Act by adding farm financial benchmarking, which is the process of comparing the performance of an agricultural enterprise against the performance of other similar enterprises.
- Amends section 522(d)(3)(F) of the Federal Crop Insurance Act by adding “farm financial benchmarking” after “management”.
- Amends section 524(a) of the Federal Crop Insurance Act by adding “farm financial benchmarking” after “risk reduction” and adding “including farm financial benchmarking” after “management strategies”.

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Section 11023. Beginning Farmer and Rancher Provisions

- Amends section 502(b) of the Federal Crop Insurance Act by adding the definition of “beginning farmer or rancher”.
- Amends section 508 of the Federal Crop Insurance Act to allow:
 - (1) beginning farmers or ranchers to receive premium assistance 10 percentage points greater than premium assistance that would be otherwise is available;
 - (2) a beginning farmer previously involved in a farming operation to use the previous producer’s production history or assigned yield in determining yield coverage; and
 - (3) beginning farmers or ranchers to replace each excluded yield with a yield equal to 80 percent of the applicable transitional yield.

Section 11024. Agricultural Management Assistance, Risk Management Education, and Organic Certification Cost Share Assistance

- Amends section 524 of the Federal Crop Insurance Act to provide assistance for:
 - (1) provisions of organic certification cost share assistance;
 - (2) activities to support risk management education and community outreach partnerships; and
 - (3) provisions of agricultural management assistance grants to producers in States in which there has been a low level of Federal crop insurance participation.
- Limits assistance to \$50,000 per person per year.
- Requires the Commodity Credit Corporation to make available \$23,000,000 to carry out this assistance.

Section 11025. Crop Production on Native Sod

- Amends Section 508(o) of the Federal Crop Insurance Act to provide sod producers during the first 4 years of planting on native sod acreage the following:
 - (1) 65 percent of the transitional yield; and
 - (2) a crop insurance premium subsidy 50 percentage points less than the premium subsidy that would otherwise apply.
- Requires the Secretary to submit a report that describes the cropland acreage in each county and State, and the change in cropland acreage from the preceding year in each county and State to the Committee on Agriculture, Nutrition, and Forestry of the Senate..

Section 110266. Technical Amendments

- Amends section 508(b) Federal Crop Insurance Act to remove the requirement that producers purchase catastrophic insurance or waive eligibility for emergency crop loss assistance to be eligible for certain payments and loans.

<p style="text-align: center;">TITLE XII Miscellaneous Section-by-Section Summary</p>

Subtitle A:

Socially Disadvantaged Producers and Limited Resource Producers

Section 12001. Outreach and Assistance for Socially Disadvantage Farmers and Ranchers

- Extends the program with an authorization level of \$20M per year, \$5M mandatory per year.
- Includes veteran farmers and ranchers.

Section 12002. Office of Advocacy and Outreach

- Extends the program with an authorization level of \$2M per year.

Subtitle B. Livestock

Section 12101. Wildlife Reservoir Zoonotic Disease Initiative

- Creates a competitive grant program to improve diagnostic testing and vaccines for Bovine Tuberculosis, Brucellosis and other zoonotic diseases in livestock.
- Authorized at \$7M per year.

Section 12102. Trichinae Certification Program

- Reauthorizes the Trichinae Certification Program.

Section 12103. National Aquatic Health Plan

- Reauthorizes the National Aquatic Health Plan.

Section 12104. Sheep Production and Marketing Grant Program

- Establishes a competitive grant program to improve the sheep industry.
- Funded with \$1.5 million in mandatory funds, authorized at \$3M per year.

Section 12105. Pilot to Eradicate Feral Swine

- Establishes a pilot between NRCS and APHIS to eradicate feral swine.
- Authorized at \$2M per year.

Subtitle C: Other Miscellaneous Provisions

Section 12201. Military Veterans Agricultural Liason

- Establishes a military veteran liaison to connect returning veterans to with beginning farmer training and help veterans access USDA programs.

Section 12202. Information Gathering

- Cleanup to section 1619.

Section 12203. Grants to Improve Supply, Stability, Safety, and Training of Agricultural Labor Force

- Reauthorizes at \$10M/yr.

Section 12204. Noninsured Crop Disaster Assistance Program

- Removes overlap between NAP and disaster programs.
- Allow producers to elect higher coverage levels (55-65%). Producers who elect higher coverage levels would pay a premium based upon the value of their production and acres planted.

Section 12205. Regional and Economic Infrastructure Development

- Reauthorizes the program, with a slight adjustment to the cap on administration fees.

Section 12206. Canada Geese Removal

- Secretary, in consultation with Interior and FAA will publish management plan to remove Canada geese residing on NPS land within 5 miles of any commercial airport.